Annual Report 2022 2023



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Notice of The 27th Annual General Meeting

Notice is hereby given that the 27th Annual General Meeting of the Members of Fuwang Foods Limited will be held on **Tuesday, December 19, 2023 at 11:00 AM.** The AGM will be held virtually by using digital platform though link https://fuwangfoodsltd.com/agm to transact the following businesses:

AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2023 together with the Auditors' Report thereon and the Report of the Directors'.
2. To declare dividend for the year ended June 30, 2023.
3. To elect/re-elect Directors.
4. To consider approval of appointment of Independent Directors.
5. To confirm appointment of Managing Director.
6. To appoint Statutory Auditors for the year ending June 30, 2024 and to fix their remuneration.
7. To appoint Corporate Governance Auditors for the year ending June 30, 2024 and to fix their remuneration.

By order of the Board

Dated: Dhaka, 27 November 2023

Md. Sharif Al Mahmood
Company Secretary

Notes:

1. Record Date was 20 November 2023. Members whose names appeared in the Members Register / Depository Register as on the Record date will be eligible to attend/ participate and vote at the Annual General Meeting through digital platform.
2. A Member entitled to attend/ participate and vote in the Annual General Meeting, may appoint a proxy in his/her stead. Scanned copy of the proxy form, duly stamped must be submitted at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
3. AGM Notice and link of digital platform will be mailed to the respective Member's email address available with us. Members need to use respective BO ID and number of shares for login through the link of digital platform.
4. Pursuant to the BSEC notification no. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of the Annual Report 2022-2023 will be sent to Members' respective email addresses as available with the Company. The Annual Report will also be available in the Company's website www.fuwangfoodsltd.com.
5. The Shareholders will be able to join the virtual AGM through the link and submit their questions/comments electronically before 24 (Twenty Four) hours before commencement of the AGM.

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Corporate Profile

Board of Directors

Chairman
Professor Md. Abul Kashem

Managing Director
Rafiqul Hasan Khan

Directors
Miya Mamun
Sidratul Mahabub Hasan
Mirza Rashed Nawaz

Independent Directors
Dr. Md. Abdul Khaleque Khan (FF)
Advocate Bikash Chandra Sarker

Company Secretary
Md. Sharif Al Mahmood

Chief Financial Officer
Md. Azizul Haque

Head Of Internal Audit And Compliance
Md. Emad Uddin

Audit Committee
Advocate Bikash Chandra Sarker, Chairman
Mirza Rashed Nawaz, Member
Miya Mamun, Member
Md. Sharif Al Mahmood, Secretary

Nomination and Remuneration Committee
Professor Md. Abul Kashem, Chairman
Mirza Rashed Nawaz, Member
Dr. Md. Abdul Khaleque Khan, Member
Md. Sharif Al Mahmood, Secretary

Auditors
MABS & J Partners
Chartered Accountants

Corporate Governance Compliance Auditor
Jasmin & Associates
Chartered Secretaries

Bankers
Dhaka Bank Limited
Dutch-Bangla Bank Limited
Pubali Bank Limited
Standard Bank Limited

Registered Office
Fu-wang Building
House No. 55, Road No. 17
Banani C/A, Dhaka-1213

Factory
Bokran Monipur, Hotapara
Gazipur Sadar, Gazipur

Subsidiary Company
Fuwang Beverage Industry Ltd.

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History of the Company

Date of Incorporation	: 17 February 1997
Listed in Dhaka Stock Exchange Ltd.	: July 2000
Listed in Chittagong Stock Exchange Ltd.	: July 2000
Commercial Operation	: August 1997
Business Lines	: Food Processing Industry
Authorized Capital	: Tk. 1,500 Million
Paid up Capital	: Tk. 1,108.393 Million
Number of Employees	: 992

26th Annual General Meeting of Fuwang Foods Limited



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Some Events



Welcoming new Chairman Professor Md. Abul Kashem and new Independent Director Dr. Md. Abdul Khaleque Khan to the Board



Board meeting of fuwang foods ltd.

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Few glimpse of Fuwang Food Limited

To explore business opportunities, many Japanese business delegations visited the Fuwang Foods factory during the year.






The high officials of the Japan International Cooperation Agency (JICA) also paid a visit to the factory





The Chairman & CEO of KAMEDA SEIKA Co. Ltd. a leading Japanese firm also shown keen interest on Fuwang Foods.

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Directors Profile



Professor Md Abul Kashem
Chairman

Professor Md. Abul Kashem is being elected as Chairman of Fuwang Foods Limited in August 2023. He is a distinguished academic, specializing in Management Information Systems (MIS) and affiliated with the Faculty of Business Studies at the University of Dhaka. Currently, he is in pursuit of a PhD degree at the University of Dhaka, focusing on the title "*Human Resource Information System (HRIS) in Bangladesh-an Exploratory Study*".

Professor Kashem's educational background includes a Master of Commerce (M.Com.) in Management, which he earned from the University of Dhaka. Within the academic realm, he actively serves as the Head of the SA Entity department of Management Information Systems (MIS) and has contributed significantly to the field, with 19 publications in various reputable journals.



Rafiqul Hasan Khan
Managing Director

Mr. Rafiqul Hasan Khan is the Managing Director of Fuwang Foods Limited since September 2023. Mr. Rafiqul Hasan Khan brings a wealth of expertise in business administration and a broad spectrum of job skills, having more than two decades of professional experience.

He has cross-functional professional know-how, and for the last few years, he has consistently excelled in top-ranked executive positions. Mr. Rafiqul has a successful track record of leading diverse professional teams, comprising individuals from various functional and cultural backgrounds.

Prior to joining Fuwang Foods he was the Director, Operations, Three Dots Ltd. General Manager, Plant, Jamuna Agro Industrial Group, GM, Business Operations, KPL Plastics Ltd.

Mr. Rafiqul obtained his Bachelor degree in Finance from the University of Dhaka.



Miya Mamun
Director

Miya Mamun is a distinguished businessman in Chiba, Japan. He started business career in early 2012 with his agriculture and food processing company named Minori Co. Limited in Japan. It is a group of companies certified as the Global GAP (Good Agricultural Practice) and HACCP. His knowledge about Japanese agriculture and farm management techniques are unique of its kind. As a successful entrepreneur Mr. Mamun expanded his business in Bangladesh with the aim to contribute more in local agro economy. Mr. Mamun brought Minori in Bangladesh to help local agro based resources to improve quality by using Japanese technology. Graduate from Chittagong University he completed his study in Tokyo, Japan at the end of 2008.

He has versatile leadership skills on managing the business and administration and ensuring harmonious working relations within the working area.

Directors profile



Sidratul Mahabub Hasan
Executive Director

Sidratul Mahabub Hasan was appointed as Executive Director to the company in February 2022. He is nominated Director from Minori Bangladesh Limited. Before joining Minori Bangladesh Ltd, a sister concern of "Minori Co. Ltd., Japan" he worked in Aman Group and different other companies over the last 10 years. Mr. Sidratul gathered remarkable experiences in different sectors especially on Finance & Banking industry. He completed Post graduation on "Finance" from International Islamic University, Malaysia and graduated from the same University on "Economics".

His article on "Efficiency & Performance of Islamic Banks in Bangladesh" was published in the Journal of Islamic Banking & Finance.



Md. Mirza Rashed Nawaz
Director

Mr. Mirza Rashed Nawaz currently holds the position of Director at Fu-Wang Foods Limited, a role he assumed in August 2023. Additionally, he is a board member of one of the company's subsidiaries. Prior to his directorship, Mr. Nawaz served as a Relationship Manager at Guardian Life Insurance Limited. Currently, he serving as Business Development Lead, Waadaa Insure at MGH Group.

Mr. Nawaz embarked on his career journey in 2007 after completing an MBA in Marketing from the International Islamic University Chittagong (IIUC). He initially worked as an Executive at BTR Freight System Limited.



Dr. Md. Abdul Khaleque Khan (FF)
Independent Director

Dr. Md. Abdul Khaleque Khan (Freedom Fighter) has joined as Independent Director to the Board of Fuwang Foods Limited in September 2023. Additionally, he serves as a member of the Nomination and Remuneration Committee (NRC). Apart from his current involvement with Fuwang Foods Ltd., Mr. Khaleque also serving at BASIC Bank Limited as Director since July 2021.

Mr. Khaleque's distinguished career in the banking sector includes a notable period as the Managing Director and CEO of Bangladesh Commerce Bank Limited. Prior to joining at Bangladesh Commerce Bank, he served as the Managing Director of the Bangladesh House Building Finance Corporation and held the position of Deputy Managing Director at Rajshahi Krishi Unnayan Bank.

After completing his BSS and MSS in Economics from the University of Dhaka and his PhD from USA, Mr. Khaleque commenced his professional journey in 1983. He is an experienced banker and has led different major sectors in banking at different stages in his career.

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Directors profile



Advocate Bikash Chandra Sarker

Independent Director

Mr. Bikash Chandra Sarker is an accomplished professional serving as an Advocate and Associate Member at ADN Associates, located in Dhaka. His tenure at ADN Associates since 2012 has been marked by an extensive contribution to various organizations across Bangladesh.

Mr. Bikash's credentials include the prestigious advocate ship from the Bar Council of Bangladesh, accrediting him as a legal professional with the requisite authority to practice law. Additionally, he holds an ITP (Income Tax Practitioner) certificate from the National Board of Revenue, further solidifying his proficiency in tax-related matters. He has lent his expertise in multifaceted roles within accounts and finance departments, as well as Tax Consultant, and assuming diverse capacities in different organizations. In the period 2022-2023, he held the position of Executive member at the Dhaka Taxes Bar Association.

Mr. Bikash has a robust educational background encompassing LL.B. He completed both Masters of Commerce and B.Com (Hon.) in accounting subject. He has amalgamated legal expertise with a profound understanding of financial and accounting details.



Welcoming new member to the Board

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FUWANG FOODS LIMITED

Five Years' Financial Highlights

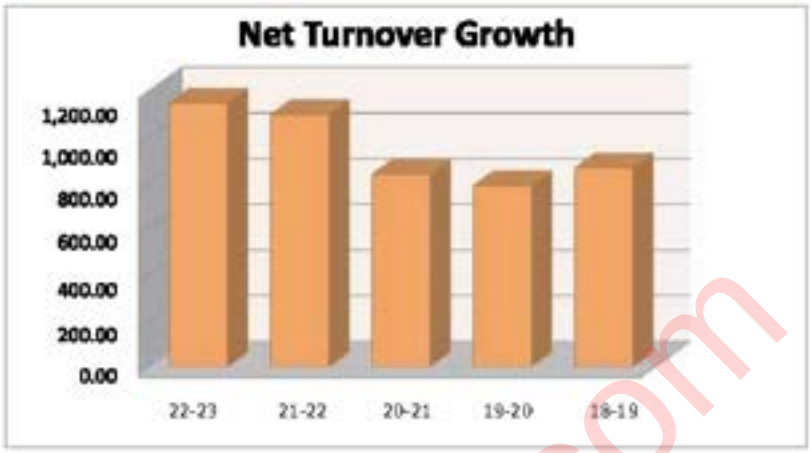
The key operating and financial data of Fuwang Foods Ltd for last five years are:

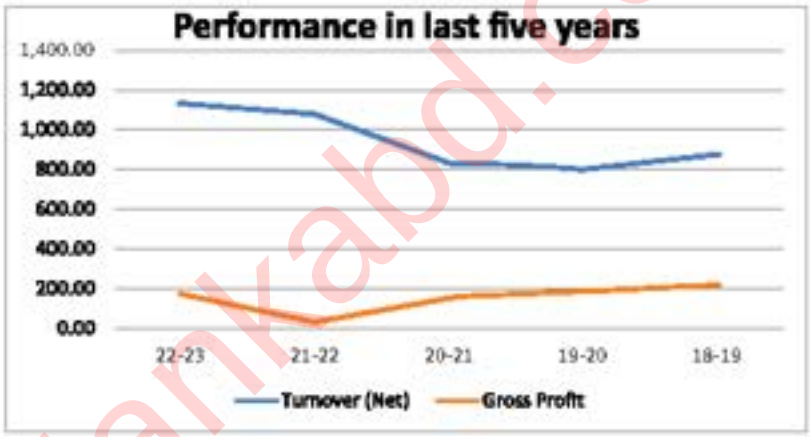
Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Turnover (Net)	1151.55	1100.94	839.58	791.18	867.58
Gross Profit	183.68	44.29	153.53	181.8	230.84
Net Profit before Tax	-62.68	-223.62	19.09	80.84	130
Net Profit after Tax	-54.46	-243.29	11.38	60.63	86.5
Shareholders' Equity	310.40	383.59	1285.77	1296.52	1257.58
Net assets per share	2.80	3.46	11.6	11.7	11.35
Earnings Per Share after Tax (Taka)	-0.49	-2.19	0.1	0.55	0.78
Interim / Cash Dividend	0.50%, Nil	* Nil	Nil	1.65%	2%
Bonus Dividend (Percentage)	* Nil	* Nil	Nil	Nil	Nil

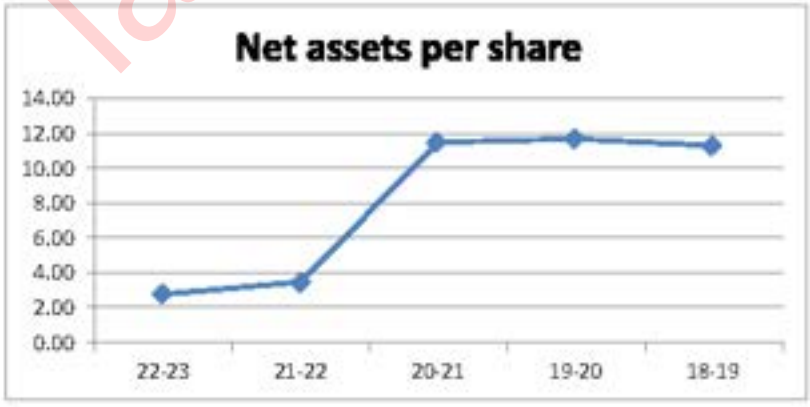


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Graphical Presentation



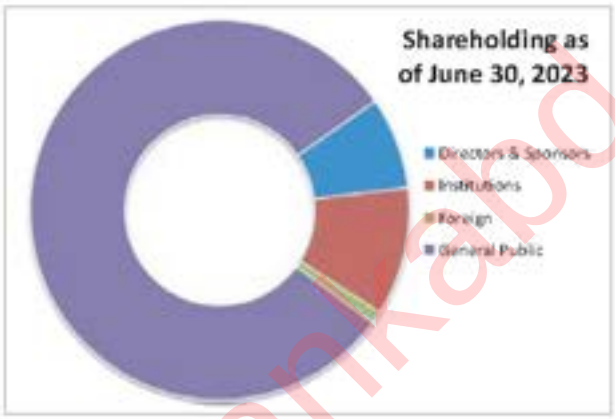


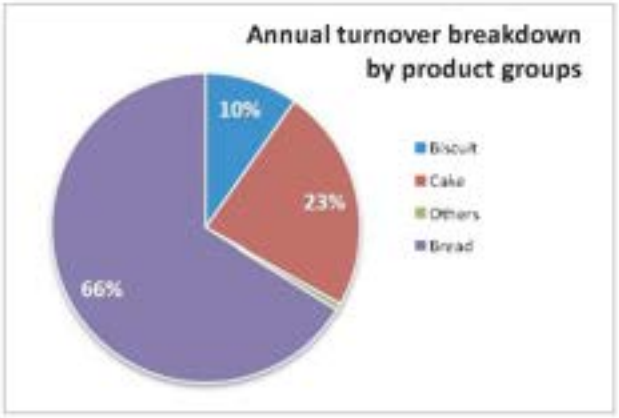


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Graphical Presentation







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DIRECTORS' REPORT

for the year ended 30 June 2023

Dear Shareholders,

Assalamu Alaikum.

It is an immense pleasure to welcome you all in the 27th Annual General Meeting of Fuwang Foods Ltd. (FWFL). It gives a great satisfaction to present the Annual Report of the company along with the Audited Financial Statements for the year ended 30 June 2023 and the Auditors' Report thereon.

This report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018. The annual report also reflects the overall performance of the company for the year ended 30 June 2023.

Principal Activities

The principal activities of the company continued to be manufacturing and marketing of bread, biscuits, noodles, snacks, mini-snacks, chocolates, energy drinks and other food items to customers through country sales network.

Business Review

Fuwang Foods has navigated another demanding year marked by diverse accomplishments. Following its acquisition by the Japanese firm Minori Co. Ltd. in February 2022, the company has successfully operated under the banner of its subsidiary, Minori Bangladesh Ltd. However, since the transition, Minori has had to go through tough challenges, including the ongoing Ukraine-Russia conflict, which has had a profound impact on Bangladesh's overall economic situation and our business as well. The prices of raw materials surged significantly during this period. Nevertheless, the operational management team has exerted their utmost effort in achieving praiseworthy results. As a testament to their hard work, the company's turnover has reached at highest level of Taka 1,151.55 million, representing a remarkable increase of more than Taka 5.0 crore compared to the previous year.Despite the elevated cost of raw materials, the significant increase in turnover has led to a gross profit of Taka 183.69 million. It is Taka 13.94 crore higher than the previous year's gross profit, and these results encourage us hope for the turnaround. Additionally, the management analysis, found on page 4, provides a comprehensive overview of the company's affairs and highlights the significant events that transpired during the year.

Our subsidiary company's revenue reached to Tk. 36.80 million which is 9.20% lower from the previous year's revenue of Tk. 40.53 million. Net loss for the year stood Tk. 8.94 million against net loss Tk. 7.46 million of previous year.

Investment in Fuwang Beverage Industries Limited

During the year, Fuwang Beverage Industry Limited remains subsidiary of Fu-Wang Foods Limited. Separate reports including auditors' report, audited financial statements and directors' report thereon for the subsidiary company are provided at the concerned sections of this report. The financial statements of the subsidiary company have duly been consolidated with Fu-Wang Foods Limited, as per requirements of the Companies Act 1994, Securities and Exchange Rules 1987 and related notifications and in line with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

This year the company passed some challenging situations. The net margin is not in a healthy position due to increased rate of the Gas price fixed by the Bangladesh Government. The rate has been jumped by 66.33% compare to previous year's cost. The price of raw material was also high; the overheard cost was higher than immediate preceding year due to new recruitments and surge of fuel price. The negative growth in net margin also reached to an undesirable level. However, the new management is sincerely trying hard to overcome the situation and request all our honorable shareholders for their endurance.

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Property, Plant and Equipment

In the fiscal year under review, the Company allocated a total of Taka 39.22 million toward investments in Property, Plant and Equipment. Details regarding the changes and fluctuations in the value of these assets throughout the year can be found in the corresponding notes within the Financial Statements. These notes provide a comprehensive breakdown of the movement in property, plant, and equipment for better understanding.

Industry Outlook and Possible Future Developments

In a highly competitive business environment in food industry, competitors continuously pursue market shares with various activities including price reduction, quality improvement, new product line and other incentives. Fuwang Foods Limited has continued retaining its position by offering superior quality products at competitive prices.

Fuwang Foods Ltd. (FWFL) is one of the prominent figure in the food manufacturing industry in the country. Renowned as a high-quality food brand in Bangladesh, 'Fuwang' enjoys recognition among a substantial portion of the middle to lower income demographic, which constitutes the primary target audience for most of the company's products. The food industry is especially distribution-driven, and FWFL currently possesses six branch offices, ten depots, and a network of 460 distributors and dealers spread across the country.

As a company, we are dedicated to pursuing market leadership and have strategic plans for expanding our product line in the upcoming year, including the introduction of new, exclusive items. Our Board of Directors is diligently working towards enhancing profitability. In line with our diversification policy, Fuwang Foods continually responds to market demands by introducing new products. In the current year, we successfully launched two new items, one under the biscuit category and the other item known as 'Muri'. We greatly value your continued support and remain highly optimistic about delivering positive results in the near future.

Segment-wise or product-wise performance:

Description	Taka-2023	Taka-2022	Increase/Decrease over last year	
	Net revenue	Net revenue	Amount Tk.	%
1. VAT-able Items	389,907,721	450,163,900	-60,256,179	-13.39%
2. Non-VAT-able Items	761,642,351	650,773,276	110,869,075	17.04%
TOTAL	1,151,550,072	1,100,937,176	50,612,896	4.60%

Notable that VAT-able items are Cake, Biscuits, Chocolate, Toasts and others while the non VAT-able Items are only Bread products. Details are also disclosed in Annexure-C.

Risks and concerns:

As with all investments, investors should be aware that there are risks associated with an investment in the company. These risks could result in loss of income or capital investment. Investors are encouraged to seek independent financial advice in this regard.

Industry Risk

This year new opponents have entered, as a result market competition increase significantly and may adversely affect the profitability of Fu-Wang Foods Limited.

Management Perception:

Food business is a Distribution Intensive Business. FWFL currently has 6 (six) branches offices 10 (ten) depots and 460 distributors/dealers over the country. It would be challenging for a new company to establish such a wide distribution network in a short period of time. Therefore it is almost impossible and cumbersome for a new entrant to quickly establish itself in the market and grab market share from us.

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Moreover, food business is a brand-dependent business. FW Food is inquired by the consumers due to its brand name. The company is continuously concentrating on a "pull" strategy instead of "push". To this end, FWFL spends a large amount of fund for promotion and advertisement to further enhance and strengthen its brand name.

Interest Rate Risks

Interest rate risk is concerned with borrowed funds of short term and long term maturity. Considering money market and increase of demand for loans/investments, increase current liquidity position effected the rate of interest in recent times.

Management Perception:

The Management is consistently aware of the prevailing interest rate. If the interest rate hikes, it is expected the cost of fund will rise, affecting profitability adversely. However as per Bangladesh Government consideration new rate of Bank interest has already been affected.

Exchange Rate Risk

Exchange rate fluctuation may reduce the profitability of Fu-Wang Foods Limited because of its foreign trade commitments from various sources of foreign exchange like imported raw materials and machineries. Due to the war in Ukraine Bangladesh is passing harsh time in exchange rate.

Management Perception:

FWFL is able to pass on the additional cost of raw material through necessary price increases. Its brand name also to increase its price without much difficulty. Competitors may also increase their price if the raw material prices increase.

Market and Technology related Risk

In the global market of 21st century, developed technology obsoletes the old service/product strategy. So the existing technology may not be efficient enough to cope up with the future trend and needs.

Management Perception:

FWFL continuously upgrades its machines and technology. Recently new machineries also introduced in the factory. Therefore, the risk of obsolete technology is mitigated as the company continuously upgrades its technology every 5-6 years.

Social unrest due to political reasons may cause downturn of the economic activities which will have adverse impact on demands of foods.

Energy Costs may raise

Due to the adverse power situation in the country and shortage of Gas supply the production may be hampered. The interruption of utility shortages or increased rate of energy cost may result in higher production cost and lower productivity.

Management Perception:

The Company is self-sufficient in generating power with its own generators. However, in case of gas shortfall and subsequent rationing if any, the productivity will be reduced. In that scenario, the overall sector will be affected. In this fiscal year the gas price is increased significantly by 66.33% compare to preceding year!

History of non-operation, if any

Fuwang Foods Limited is a food manufacturing industry with yearly production capacity of 11,118 M. Ton in three shifts as against which it could operate at 57% capacity during the year under review, producing 6,290 M. Ton in the fiscal year compared to last year 8,008 M. Ton. The production capacity utilization has been decreased by 21.45% from last year.

Management Perception:

Fu-Wang Foods Limited was incorporated on 17 February, 1997. It has already completed more than 26 years of successful operation. It has no record of operation failure yet and chances of being non-operative in the future is very remote.

Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin

During the financial year, the company revenue boosted significantly, it increased by Taka 50.61 million. This positive trend was further reinforced by an 8.40% reduction in the Cost of Goods Sold, resulting in a substantial 15.95% increase in gross profit compared to the previous year's 4.02% which was due to impairment of fixed assets of last fiscal year. However, despite this encouraging growth in gross profit, it fell short of covering the company's operating expenses.

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As a consequence, the company ended the fiscal year with a net loss of Taka 54.46 million. The following are key variances in the financial year:

Particulars	30 June 2023 (Taka)	30 June 2022 (Taka)	Increase/(Decrease) (Taka)	Increase/(Decrease) %
Revenue	1,151,550,072	1,100,937,177	50,612,895	4.60%
Cost of Goods Sold	967,864,910	1,056,647,868	-88,782,958	-8.40%
Gross Profit	183,685,163	44,289,308	139,395,855	314.74%
Net Profit/Loss after Tax	-54,463,048	-243,287,316	188,824,268	-77.61%

Reasons for increase / Decrease of

- Revenue
- Cost of Goods sold
- Gross Profit
- Net Profit

Increase of Revenue

During the year 2022-2023 revenue increased by an amount of Taka 50,612,895. The reason for increased turnover is changes in sales policy, recruitment of new sales force. Moreover, supervision and monitoring started vigorously. Human resources of the company have been motivated significantly which also help to boost the sale. Therefore, consumers' confidence increased and they didn't reduced buying products which help the company increasing turnover.

Increased percentage of Cost of Goods Sold

During the year, Cost of Goods Sold is 84.05% of the revenue as against 95.98% of the preceding year, which is reduced by 8.40% due to following reasons:

- Increase of Raw Materials cost and
- During the year, there were no impairment issues, similar to the previous year.
- Increased rate of the utilities and more specifically the Gas price increased nearly double
- The utility rates, specifically the gas price, saw a significant increase, almost doubling cost.

The Gross Profit increased

In the financial year, Fuwang Foods Ltd. experienced total Taka 139,395,854 increase in Gross Profit, achieving an 11.93% growth compared to the preceding year. This development can be attributed to the decrease in the cost of goods sold (COGS) and an increase in turnover.

The Net Profit declined

The net profit has been decreased. It recorded a 4.73% net loss, but actual figure represents an improvement compared to the previous year, which had a significant 22.10% net loss on revenue. The primary cause of this loss can be recognized due to a weak gross margin, which is considerably lower than the operating expenses.

Extra-Ordinary Events

There is no Events of extra ordinary gain or loss during the reporting period of which require adjustments or disclosure in the financial statements. Any such events have already been detailed in the relevant notes accompanying the accounts.

Related Party Transactions

Disclosure of all related party transactions, including basis for such transaction, has been provided in the note 29 of the notes to the financial statements.

Utilization of proceeds from Public Issues, Rights Issues and/or any other:

The company did not raised any fund from Public Issues, rights issues and/or any other instruments during the year 2022-2023

Financial results deteriorate after Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing:

The company did not raised share capital though Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing of through any other instruments during the year 2022-2023

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Significant variance over the last year's Operating Result

The significant deviations from last year in the operating results of the Company have been highlighted in the notes to the financial statements and reasons thereof have been explained.

Remuneration to Directors

This information is incorporated in Note 21 of the notes to the financial statements with reference to the "Directors Remuneration".

Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. Subject to the observations by the Statutory Auditor in the Auditor's Report, these statements fairly present the company's state of affairs, the results of its operations, cash flow and changes in equity.

Five Years Financial Highlights

The key operating and financial data of Fuwang Foods Ltd for last five years have been given separately.

MD and CFO's Declaration on Financial Statements

In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code dated June 3, 2018, Managing Director and Chief Financial Officer have given the declaration about the fairness of the financial statements which is shown in the report.

Books of Accounts

Proper books of accounts of the Company were maintained subject to the observations by the Statutory Auditor in the Auditor's Report.

Accounting Policies

Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

Application of IAS and IFRS

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) have been followed in preparation of the financial statements and any deviation there-from has been adequately disclosed.

Going Concern/Forward Looking Statement

There are no significant doubts about the Company's ability to continue as a going concern.

Dividend/Interim Dividend

For the period ended 31 December 2022, the Board of Directors of the Company has approved an Interim Cash Dividend @ 0.50% of the paid-up capital amounting Taka 55,41,964. The Interim Dividend has already been paid to the shareholders in April 2023. However, due to company's overall critical situation and unfavorable financial position, the Board of Directors could not propose any dividends for during the year. Additionally, it is notable that no bonus shares or stock dividends were declared as interim dividends during the year.

The above recommendation of dividend is as per the Board approved dividend policy which is disclosed in the "Dividend Distribution Policy" section of the Annual Report on page 29.

Board and Committee Meetings

Total meeting of the Board of Directors held during the year was 10 (Ten). The Audit Committee met 5 (five) times and Nomination and Remuneration Committee met 2 (two) times.

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Attendance in Board Meetings:
The attendance record of the Directors is shown below:

SL	Name of the Directors	Position	Total Meeting	
			Held	Attended
1	Md. Afzal Hossain	Chairman	10	10
2	Miya Mamun	Director	10	10
3	Sidratul Mahabub Hasan	Executive Director	10	10
4	Professor Md. Abul Kashem	Independent Director	10	10
5	Ishtar Mahal	Independent Director	10	6
6	Md. Maksudur Rahman)	Independent Director	10	7
7	Dr. Md. Abdul Khaleque Khan (FF)	Independent Director	-	-
8	Mirza Rashed Nawaz	Director	-	-

The Directors who could not attend the meetings were granted leave of absence.

Pattern of Shareholding
The pattern of shareholding as on 30 June 2023:

Sl. No.	Name and Description	No. of Shares	%of Holding
a)	Parent/Subsidiary/Associated Companies and other related parties : Minori Bangladesh Limited	84,42,726	7.61
b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details) are as follows:		
1	Professor Md. Abul Kashem Chairman and Independent Director	**Nil**	**Nil**
2	Rafiqul Hasan Khan Managing Director	**Nil**	**Nil**
3	Miya Mamun (Nominated by from Minori Bangladesh Ltd) Director	**Nil**	**Nil**
4	Sidratul Mahabub Hasan (Nominated by from Minori Bangladesh Ltd) Executive Director	**Nil**	**Nil**
5	Mirza Rashed Nawaz (Nominated by from Minori Bangladesh Ltd) Director	**Nil**	**Nil**
6	Hsu Chin Hua Sponsor	**256,033**	**0.231**
7	Md. Maksudur Rahman Independent Director	**Nil**	**Nil**
8	Dr. Md. Abdul Khaleque Khan (FF) Independent Director	**Nil**	**Nil**
9	Md. Sharif Al Mahmood Company Secretary	**Nil**	**Nil**
10	Md. Azizul Haque Chief Financial Officer	**Nil**	**Nil**
11	Md. Emad Uddin Head of Internal Audit and Compliance	**Nil**	**Nil**
c)	Executives (Top 5 salaried Executives)		
1	Colonel Md. Manirul Islam psc (Retd), Chief Operating Officer	**Nil**	**Nil**
2	Md. Abdul Mojid, Asst. General Manager	**Nil**	**Nil**
3	Md. Nasir Sikder, Senior Manager, Finance	**Nil**	**Nil**
4	Meherunnesa Rosy, Senior Manager, HR and Admin	**Nil**	**Nil**
5	Md. Towhidul Islam, Marketing Manager	**Nil**	**Nil**
d)	Shareholders holding ten percent (10%) or more voting interest in the company	**Nil**	**Nil**

Note: Minori Bangladesh Ltd. has acquired the company's 84,42,726 number of shares (7.61%) and Nominated

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3 (three) Directors to the Board of Fuwang Foods Ltd. vide letter no. SEC/SRMIC/2000-922/28 dated 20 January 2022 which was accepted by the Board in its meeting held on 03 February 2022.

Mr. Rafiqul Hasan Khan joined as Managing Director on 21 September 2023. Mr. Md. Maksudur Rahman, Independent Director has resigned and it was duly accepted by the Board on 15 November 2023.

Market Value of Shares

The market value per share as on 15 November 2023 was Tk. 32.90 (Taka thirty two and paisa ninety only).

Corporate Governance Compliance Report

Fu-Wang Foods Limited complied with the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission. Accordingly, Corporate Governance Compliance Report is placed as Annexure I of this report.

Further in compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code dated June 3, 2018, the Corporate Governance Auditor of the Company M/s. Jasmin & Associates, Chartered Secretaries shall issue the Corporate Governance Compliance Certificate which will be placed as Annexure II of this report.

Share Information

The distribution of shareholding and market value of shares are given in the "pattern of shareholding" of this report.

Earnings per share, dividend per share and net assets per share are shown in the financial highlights section of the annual report.

Minority Interests

In compliance with condition no. 1(5)(xvi) of the Corporate Governance, the Board hereby confirms that the interests of the minority shareholders have been duly protected in the Company.

List of Separate Reports, Statements &Annexures To This Report

Here is a list of Annexure to this Report :

- Report of Audit Committee
- Attendance in Meetings of Directors
- Statement on Remuneration to Directors
- Shareholding Pattern as per Corporate Governance Code
- Management's Discussion and Analysis (MDA)
- Dividend Distribution Policy
- Certificate on Compliance with the Corporate Governance Code
- Statement on Status of Compliance with the Corporate Governance Code

Unclaimedor Unpaid Cash Dividend Transferred to Capital Market Stabilization Fund (CMSF)

As per the directives outlined in BSEC Circular No. BSEC/SRMIC/2021-198/254 on October 19, 2021, and BSEC Directive No. BSEC/CMRRCD/2021-386/03 on January 14, 2021, Fuwang Foods Limited has transferred a total unpaid or unclaimed dividend net amounting Taka 1,129,284 for the financial year 2018-2019 to the Capital Market Stabilization Fund (CMSF). This action followed by the issuance of notice to shareholders on November 13, 2022, and a repeat advertisement on April 02, 2023. This information is additionally available within Note 15 of the financial statements.

Appointment of Chairman, Managing Director and Executive Director

The Board accepted the resignation of Mr. Md. Afzal Hossain from his position as Chairman and Nominated Director on August 19, 2023. Based on the recommendation of the Board Professor Md. Abul Kashem, Independent Director has been elected as Chairman of Fu-Wang Foods Limited on the same Board meeting.

On September 21, 2023, the Board acknowledged the resignation of Mr. Miya Mamun from his role as Managing Director of the Company. Following the recommendation of the Nomination and Remuneration Committee (NRC), Mr. Rafiqul Hasan Khan was appointed as the new Managing Director of Fuwang Foods Limited on the same Board meeting. The appointment of Mr. Rafiqul Hasan Khan shall have to be approved by the shareholders in the AGM as per the provisions of the Companies Act 1994.

Appointment of Independent Director and Nominated Director

Independent Director

For the interest of investors and the capital market, the Bangladesh Securities and Exchange

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Commission (BSEC) reconstituted the Board in 2021. Furthermore, the BSEC nominated/appointed Dr. Md. Abdul Khaleque Khan (FF) as an Independent Director via letter no. BSEC/SRMIC/2022-257/218 dated on August 16, 2023 with the condition No. 01 of directive No. SEC/CMRRCD/2009-193/15/Admin/112 dated 10 December 2020. This decision was prompted by the unavailability of the former Independent Director, Ms. Ishter Mahal, who has taken on another significant role assigned by BSEC. The newly joined Independent Director was inducted by the Board on September 02, 2023.

Mr. Khaleque has appointed alongside Professor Md. Abul Kashem, who was previously appointed as an Independent Director. In this capacity, they will both contribute to the organization or board in their roles as Independent Directors. The appointment of Independent Director shall also be placed for approval in the next AGM.

Moreover, to comply with condition 1(2) as well as some other conditions of Corporate Governance Code 2018 and as per recommendation of the Nomination & Remuneration Committee, the Board in its meeting held on November 15, 2023 appointed Mr. Bikash Chandra Sarker as Independent Director of the company. The appointment of Independent Directors shall also be placed for approval in the AGM.

Nominated Director

As the Board accepted the resignation of Mr. Md. Afzal Hossain from his positions as Chairman as well as Nominated Director on August 19, 2023. To fill this vacancy, Minori Bangladesh Limited, representing a 7.61% shareholding, nominated Mr. Mirza Rashed Nawaz as Nominated Director, and he was appointed to the Board on the same date.

Reconstitution of Board Committees

The new Board of Directors reconstituted following two Board Committees:

- **Audit Committee**
  - Advocate Bikash Chandra Sarker — Chairman
  - Miya Mamun — Member
  - Mirza Rashed Nawaz — Member
- **Nomination & Remuneration Committee**
  - Professor Md. Abul Kashem — Chairman
  - Mirza Rashed Nawaz — Member
  - Dr. Md. Abdul Khaleque Khan (FF) — Member

Directors' Profiles

Brief profiles of all Directors on the existing Board of the Company are provided in the section "Board of Directors" of the annual report separately.

Retirement and Re-election of Directors

As provided in the Companies Act 1994, Mr. Miya Mamun, Mr. Sidratul Mahabub Hasan and Mr. Mirza Rashed Nawaz will retire from the office of Director in the upcoming AGM, and being eligible for re-election, each of them has offered themselves to be re-elected. The Board recommended them for re-appointment by the shareholders in the AGM.

Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present the company's state of affairs, the results of its operations, cash flow and changes in equity.

Statutory Auditors Qualified Report

Statutory Auditors' M/s. MABS & J Partners, Chartered Accountants submitted "Qualified Opinion" on the consolidated Financial Statement of Fuwang Foods Limited for the year ended June 30, 2023 on Share money deposit, Payable for WPPF and Welfare Fund and Deposit against share by holding company, adjustment in Retained Earnings, prior years Advance against Purchase. Company's new management has been considering these opinions with utmost priority. Appropriate measures will be taken and hopeful these issues will be mitigated in upcoming year.

Appointment of Auditors

As per section 210 of the Companies Act 1994, the company's statutory Auditors M/s. MABS & J. Partners, Chartered Accountants retires at the 27th Annual General Meeting as auditors of the Company.

Pursuant to Bangladesh Securities and Exchange Commission (BSEC) order no SEC/CMRRCD/2009-193/104/ Admin dated July 27, 2011 imposed an embargo that no company shall appoint any firm of Chartered Accountants as its Statutory Auditors for a consecutive period exceeding three years. In pursuance thereof,

M/s. MABS & J. Partners, Chartered Accountants are not eligible for re-appointment as auditors of the company for the next term.

The Directors endorsed recommendation of the Audit Committee for appointment of M/s. Ahsan Manzur & Co., Chartered Accountants as the auditors of the company for the financial year 2023-2024 at a fee of Tk. 400,000 (Taka four lac only) Excluding VAT.

Appointment of Corporate Governance Auditor

The Audit Committee recommended appoint of M/s. Jasmin & Associates, Chartered Secretaries in practices as the Corporate Governance Auditors of the company for the year 2023-2024. The Directors endorsed recommendation of M/s. Jasmin & Associates, Chartered Secretaries as the CGC Auditors of the company for the year 2023-2024 at a fee of Tk. 45,000 (Taka Forty five thousand) excluding VAT.

Conclusion

The Company wishes to express its sincere appreciation to all employees of Fuwang Foods Limited for their contribution and at the same time, thank all the stakeholders for their continued support and confidence.

On behalf of the Board of Directors

Professor Md. Abul Kashem
Chairman

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Management Discussion and Analysis

Management's Discussion and Analysis of the company's position and operations along with a brief discussion of changes in the financial statements as per condition no 5 (XXV) of Corporate Governance Code dated June 03, 2018.

Distinguished Shareholders,

Assalamu Alaikum,

By the grace of Almighty Allah, Fuwang Foods Limited passed another exciting year. I, on behalf of the Board of Directors feel happy for having this opportunity to welcome you to the 27th Annual General Meeting and to write few words about the company's performance throughout the financial year 2022-2023. As you know, the current global economic scenario has led us through numerous challenges; beyond the hike of raw material prices, there have been significant changes in the country's overall economic conditions, alongside the financial limitations within the company. However, we are optimistic new changes will bring positive impacts on Fuwang Foods! A brief discussion on company's position and operations shown below:

(a) (a) Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons are as follows:

Taka in core

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Turnover (Net)	115.16	110.09	83.96	79.12	86.76
Gross Profit/ Loss	18.36	4.43	15.35	18.18	23.08
Net Profit/Loss before Tax	-6.27	-22.36	1.91	8.08	13.00
Net Profit/ Loss after Tax	-5.45	-24.33	1.14	6.06	8.65
Shareholders' Equity	31.04	38.36	128.58	129.65	125.76
Total Assets	121.25	119.51	195.49	188.38	182.85
Total Current Assets	68.75	70.51	124.58	120.44	116.80
Total Current Liabilities	83.56	72.66	57.56	49.91	47.33
Current Ratio	0.82	0.97	2.16	2.41	2.47

During the year under review the turnover increased in current year and reached to another level of turnover amounting to Taka 115.09 crore. As the turnover increased the Gross profit is raised to Tk. 18.36 crore which is Taka 13.93 crore higher then previous year's profit Tk.4.43 crore. It is encouraging that the gross profit is increased. However, the operating loss reached to 5.45 crore.

Another reason is the increase of Cost of Goods Sold due to increase of price of main raw materials.

(b) The company has prepared and presented its financial statement as per applicable IAS/IFRS. The following IAS/IFRSs are applicable for the financial statements for the period under review:

Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

	IAS/IFRS
Presentation of financial statements (IAS)	1
Inventories (IAS)	2
Statement of cash flows (IAS)	7
Accounting policies, changes in accounting estimates and errors (IAS)	8
Events after the reporting period (IAS)	10
Income taxes (IAS)	12
Property, plant and equipment (IAS)	16
Employee's benefits (IAS)	19

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The Effects of Changes in Foreign Exchange Rates	21
Borrowing costs	23
Related party disclosures (IAS)	24
Separate Financial Statements	27
Financial Instruments	32
Earnings per share (IAS)	33
Impairment of Assets (IAS)	36
Provisions, Contingent Liabilities and Contingent Assets (IAS)	37
Financial Instruments: Disclosures (IFRS)	7
Consolidated Financial Statements (IFRS)	10
Fair Value Measurement (IFRS)	13
Revenue from contracts with customers (IFRS)	15
Leases (IFRS)	16

(c) There is no changes in accounting policies and estimation during the preparation of financial statements for the year ended June 30, 2023

(d) Bangladesh Economy reeling under Russia-Ukraine war impact. We already know that the world, after overcoming the pandemic, supply chain reversal and price hike, is now faced with the worst human and economic catastrophe due to Russia-Ukraine war. As we have trade relations with both countries and key ingredients, raw materials of our products also imported, therefore, the gross margin for the year also effected badly.

(e) Risks and concerns have both internal and external issues of any company. Investors should aware that there are risks associated with the company. This year new competitors have entered, as a result market competition increase significantly. However, the Food business is a Distribution Intensive Business. Fuwang Foods Limited has distribution network throughout the country. It is very cumbersome for a new competitor to quickly establish itself in the market and grab market share from us. Another risk company facing is uninterrupted supply of gas. Low pressured gas sometimes enforces the factory to run slow. We are scrutinizing unconventional method to mitigate the issue. However, within very short span of time we tried to do our best and continued to run the factory operation smoothly. During this difficult and challenging time period factory production as well as turnover has increased significantly.

(f) Factory production depends largely on the utilities, especially on Gas supply. As you know current condition of the gas supply is under pressure. Moreover, during this fiscal year the gas price is increased significantly by 66.33% compare to last year!

We have focused more on improving the quality of the production process and increase the sales. As you we already declared and paid an Interim Cash Dividend @ 0.50% of the paid-up capital amounting Taka 55,41,964. However, at the end of financial year a net loss of taka 5.45 crore it was incurred. Considering the realistic situation of the company; Board of Directors was not in a position to declare any dividend for this year.

Fuwang Foods is one of the significant brands in the country and we are striving hard to increase the annual turnover and profitability. As part of our proactive product diversification policy, we have always been introducing new products to cater to the changing demands of the market.

I would like to mention the continuous support, guidance and access that our national regulatory and financial institutions have extended to us. The encouraging cooperation from Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange and Chittagong Stock Exchange, all of our Banks acted as the crucial element behind the smooth and effective execution of our business operations. At the end I would like to thanks our Board of Directors, employees and staff for their hard work, vendors, suppliers, well-wishers, valuable customers and shareholders without their relentless trust and loyalty in our brand, Fuwang Foods Ltd. would not have been here today.

With best regards,

Rafiqul Hasan Khan
Managing Director

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Report of Audit Committee

[for the year ended June 30, 2023]

Preamble

The Audit Committee of the Fuwang Foods Limited is a sub-committee of the Board of Directors consisting of the Members appointed by the Board of Directors of the company. The Audit Committee is responsible to the Board of Directors. The Committee acts as an effective forum in assisting the Board in discharging its responsibilities on ensuring the quality of financial reporting, overseeing internal and external audit functions and internal control structure as well as making related communications to the shareholders and other stakeholders.

Constitution and Composition of the Committee

The Audit Committee was last reconstituted on 15 November 2023. All members of the Audit Committee are Non-Executive Directors.

Before last reconstitution, Composition of the Audit Committee was as follows:

Name of Members	Position in the Board	Position of the Committee
Ishter Mahal	Independent Director	Chairperson [Feb 26, 2022 to Feb 23, 2023]
Professor Md. Abul Kashem	Independent Director	Member [Feb 26, 2022 to Oct 31,2023]
Md. Afzal Hossain	Director	Member [Feb 26, 2022 to Sep 02, 2023]
Md. Maksudur Rahman	Independent Director	Chairman [Mar 16, 2023 to Nov 15, 2023]]

Present Composition of the Audit Committee is as follows:

Name of Members	Position in the Board	Position of the Committee
Bikash Chandra Sarker	Independent Director	Chairman [since Nov 15, 2023]
Mirza Rashed Nawaz	Director	Member [since Sep 02, 2023]
Miya Mamun	Director	Member [since Sep 21, 2023]

The Company Secretary acts as the Secretary of the Audit Committee.

Roles and Responsibilities of the Committee

The Roles & Responsibilities of the Audit Committee have been defined in the "Terms of Reference (ToR)" as has been laid down by the Board. The Audit Committee is empowered to consider any matter related to the financial affairs of the Company and to review internal and external audits, accounting policies, related party transaction, management letters issued by statutory auditors, determination of audit fees etc. so as to ensure that a sound financial reporting system is in place and is well managed in order to provide accurate, appropriate and timely information to the Management, the Regulatory Authorities and to the Shareholders as well. The Roles and Responsibilities of the Committee are in line with the "Corporate Governance Code" issued by the Bangladesh Securities and Exchange Commission (BSEC).

Meetings and Attendance:

During the year ended June 30, 2023 total 5 (Five) meetings of the Committee were held. The Audit Committee Member's attendances for the year ended June 30, 2023 were as follows:

Name	Meeting Tenure	No. of Meetings during the Tenure	
		Held	Attended
Ishter Mahal	Feb 26, 2022 to 23 Feb 2023	4	4
Professor Md. Abul Kashem	Feb 26, 2022 to 30 Jun 2023	5	4
Md. Afzal Hossain	Feb 26, 2022 to 30 Jun 2022	5	5
Md. Maksudur Rahman	Feb 23, 2023 to 30 Jun 2023	1	1

Participation of non-members

The Chief Financial Officer (CFO) and the Head of Internal Audit and Compliance (HIAC) also attended the meetings as invitees. The Members of the senior management of the Company were also invited to attend the meetings as and when required.

Summary of Activities:

The activities of the Committee were regularly reported to the Board of Directors. Following activities were carried out by the Committee during the year ended June 30, 2023:

Financial Reporting:

• The Committee reviewed along with the management, the quarterly unaudited as well as half yearly audited Financial Statements of the Company before submission to the board for approval.

• The Committee also reviewed the financial statements of the subsidiary company i.e. Fuwang Beverage Industry Ltd.

• The Committee reviewed along with the management, the Annual Financial Statements of the Company and recommended to the Board of Directors for approval. The review was to ensure that the financial reporting and disclosures were in compliance with the securities laws, provisions of the Companies Act 1994, and International Financial Reporting Standards (IFRS) as applicable in Bangladesh.

Reviewing Internal Audit activities

• The Committee reviewed internal audit activities of the company with special emphasis given on Inventory Management, Receivables Management and Internal Control Systems of the Company.

Reviewing External Audit Report

• M/s MABS & J Partners, Chartered Accountants performed the statutory audit of the company for another year. Proceeding year's qualified opinions are considered in the financial statements during year. However, they further submitted qualified report on the adjustment of prior year's anomalies in the Financial Statements for the year ended June 30, 2023.

• During the year under review, the Audit Committee sat with the management to discuss on the key audit matters and findings of audit and of annual financial statements of the company.

Appointment of Auditors

• M/s MABS & J Partners, Chartered Accountants, have fulfilled their role as the statutory auditors for the year ended June 30, 2023, completing total three years term as external auditors. In accordance with the regulation set by the BSEC, companies are prohibited from serving as Statutory Auditors for more than three consecutive years. The Audit Committee conducted a thorough evaluation of potential candidates and has recommended to the Board of Directors for appointment of M/s Ahsan Manzur & Co., Chartered Accountants, for the next fiscal year, which will concludes on June 30, 2024. This appointment is subject to the approval of the members at the 27th Annual General Meeting of the Company.

• The audit Committee also recommended to the Board of Directors to appoint M/s Jasmin & Associates, Chartered Secretaries as Corporate Governance Auditors subject to approval of the members at the 27th Annual General Meeting of the Company.

The Audit Committee additionally holds a versatile role encompassing several vital functions:

• overseen the financial reporting process;

• reviewed the receivable position of the company

• monitor Internal Audit and Compliance process to ensure that it is adequately resourced,

• overseen performance of external auditors;

• reviewed the adequacy of internal audit function;

• reviewed the Management's Discussion and Analysis before disclosing in the Annual Report

• reviewed statement of all related party transactions submitted by the management; and

• oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;

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Reporting of the Committee

- The Audit Committee reports on its activities to the Board of Directors.
- Pursuant to Condition # 6 (a) of the Corporate Governance Code dated 03 June 2018 issued by BSEC, the Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also.
- The Audit Committee reviewed the effectiveness of the internal financial controls and the procedures established for identifying, assessing and managing risks and is of the view that steps has already been taken to improve the control systems compared to preceding year.

Acknowledgement

The Audit Committee expressed its sincere thanks to the members of the Board, Management and the Auditors for their support in carrying out its duties and responsibilities effectively.

On behalf of the Audit Committee,

Bikash Chandra Sarker
Chairman

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Report of the Nomination and Remuneration Committee (NRC)

[For the year ended June 30, 2022 and up to the Report Date]

Preamble

Nomination and Remuneration Committee (NRC) is a subcommittee of the Board. It has been duly constituted with one primary objective of supporting or assisting the Board on setting policies for nomination and remuneration functions of its Directors and other Human Resources. The Board clearly sets out the terms of reference or scopes of the committee's responsibilities. The committee reports regularly to the Board on the performance of the activities it has been assigned.

Composition and Composition of the Committee

During the year ended June 30, 2023 the NRC was reconstituted on February 23, 2023 and further reconstituted on November 15, 2023. All the members are Non-Executive Directors, nominated and appointed by the Board.

Before reconstitution, Composition of the NRC was as follows:

Name of Members	Position of Board	Position of the Committee
Professor Md. Abul Kashem	Independent Director	Chairman [since Feb 26, 2022]
Ishter Mahal	Independent Director	Member [Feb 26, 2022 to Feb 23,2023]
Afzal Hossain	Director	Member [Feb 26, 2022 to Aug 19, 2023]
Md. Maksudur Rahman	Independent Director	Member [Mar 16, 2023 to Nov 15, 2023]

Present Composition of the Committee is as follows:

Name of Members	Position of Board	Position of the Committee
Professor Md. Abul Kashem	Independent Director	Chairman [since Feb 26, 2022]
Dr. Md. Abdul Khaleque Khan	Independent Director	Member [since Sep 02, 2023]
Mirza Rashed Nawaz	Director	Member [since Sep 02, 2023]

Roles and Responsibilities of NRC:

The Role and Responsibilities of the Committee have been defined in the "Terms of Reference (ToR)" as has been laid down by the Board. The Roles and Responsibilities of the Committee are in line with the "Corporate Governance Code" issued by the Bangladesh Securities and Exchange Commission (BSEC).

Meetings and Attendance:

During the year ended June 30, 2023 total 2 (Two) meetings of the Committee were held. The NRC Member's attendances for the year ended June 30, 2023 were as follows:

Name	Meeting Tenure	No. of Meetings during the Tenure	
		Held	Attended
Professor Md. Abul Kashem	Jul 1, 2022 to June 30, 2023	2	2
Ishter Mahal	Jul 1, 2022 to Feb 23, 2023	2	2
Afzal Hossain	Jul 1,2023 to Jun 30, 2023	2	2
Md. Maksudur Rahman	Mar 16, 2023 to Jun 30, 2023	-	-

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Activity Summary of NRC:

During the year under review and up to the date of this report, NRC has -

- Approved the Annual Report of the NRC;
- Conducted Selection Process for the posts of MD and CFO, recommended their appointments and remunerations for consideration by the Board;
- Reviewed appointment of new Independent Director and recommended to the Board for approval.

Acknowledgement

The Committee expresses its sincere appreciation and acknowledgement to the Board, the operational Management and other stakeholders for their support and assistance in carrying out its duties and responsibilities effectively.

On behalf of the Nomination and Remuneration Committee,

(Professor Md. Abul Kashem)
Chairman

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Nomination And Remuneration Policy

PREAMBLE

The Nomination and Remuneration Policy ("the Policy" or "NRC Policy") has been stated incompliance with the Corporate Governance Code 2018, circulated by the Bangladesh Securities and Exchange Commission (BSEC) in conjunction with the Companies Act 1994.

The policy shall provide directions and guidelines to the Nomination and Remuneration committee on nomination criteria for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as formal process of considering remuneration of directors, top level executive; It may also provide a framework for identification of persons who are qualified to become Directors and who may be appointed in Senior Management and recommend to the Board for their appointment.

The policy may be reviewed by the Nomination and Remuneration Committee of the Board of Directors.

OBJECTIVES

The objectives of the Policy are summarized as follows:

1. The key objective is to enable the company to attract, retain and motivate high quality members for the Board and executives.
2. It will enable the company to provide a well-balanced compensation package, taking into consideration of shareholder interests, industry practices and relevant Bangladeshi corporate regulations.
3. The Policy will ensure that the interests of Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
4. It will ensure that remuneration to Executives involves a balance between fixed pay and incentive (by way of increment/bonus/ promotion/any other form) reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

ROLE OF NRC

The NRC while recommending for appointment of any directors including independent directors/Top level executive/ Key Management personnel, shall ensure compliance with the Companies Act 1994, Corporate Governance Code and Memorandum and Articles of Association and other relevant laws, rules and regulations as applicable.

The NRC shall also assist the Board of Directors in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;

NRC shall oversee, among others, the following matters and make report with recommendation to the Board:

1. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:

   a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

   b. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c. remuneration to directors, top level executive involves a balance between fixed and incentive pay

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reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

2. devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
3. identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
4. formulating the criteria for evaluation of performance of independent directors and the Board;
5. identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
6. developing, recommending and reviewing annually the company's Human Resources and training policies;

Criteria for Remuneration

All the Directors (excluding Managing Director & CEO) are paid sitting fees in compliance with the prescribed limit, as mentioned under Companies Act, 1994.

The level and composition of remuneration will be reasonable and sufficient to attract, retain and motivate employees of the quality required to run the company successfully.

Remuneration may also be involves in a mix of fixed and variable pay based on performance.

The remuneration of Key Management Personnel and other employees of the organization are in line with the internal policies and procedures established / approved by the Company.

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Dividend Distribution Policy

INTRODUCTION

In pursuance to the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC); Fu-Wang Foods Ltd. developed the Dividend Distribution Policy. This policy defines the amount of Cash and/or Stock (Bonus) dividend which may be distributed to the shareholders as Dividend from the after-tax profit or can be retained in the business. The highlights of the policy are given below:

ENTITLEMENT OF DIVIDEND:

Shareholder whose names appears in the Register of Members of the Company or in the Depository Register (CDBL) on the Record Date shall be entitled for Dividend approved at the respective year's AGM.

PROCESS OF DISTRIBUTION OF CASH DIVIDEND:

The cash dividend shall be paid directly to the shareholders bank account through Bangladesh Electronic Funds Transfer Network (BEFTN) within 30 (thirty) days from the date of approval by the shareholders in the AGM and the date of Board approval in the case of an interim dividend, subject to compliance with BSEC or Bangladesh Bank or other regulatory authority circulars/directives from time to time.

Payable amount of declared cash dividend for the concerned year/period shall be kept in a separate bank account as per circular of BSEC or other regulatory authority from time to time.

PROCEDURE OF STOCK DIVIDEND DISTRIBUTION:

The stock dividend declared for the concerned year/period shall be credited to the respective shareholders BO account within 30 (thirty) days of approval; subject to regulatory clearance.

The bonus dividend shall be transferred to the suspense BO accounts if respective BO account is not available or found inactive. The sale proceeds of fractional bonus dividend shall be paid off as per circular of BSEC or other regulatory authority.

PROCESS FOR SETTLING UNCLAIMED DIVIDENDS:

Unclaimed or undistributed or unsettled cash/stock dividends shall be settled as per instructions of BSEC or other regulatory authority.

TAX ISSUES:

Tax on dividends will be applied at source as per applicable tax laws.

SUBMISSION OF DIVIDEND DISTRIBUTION COMPLIANCE REPORT:

In-compliance with the Dhaka Stock Exchange (Listing) Regulation-2015 and Chittagong Stock Exchange (Listing) Regulation-2015 and other regulatory requirement has to submit a Dividend Distribution Compliance Report to BSEC, DSE and CSE within 7 days from the date of completion of dividend distribution of the respective year; as per circular of BSEC.

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Declaration by MD and CFO

The Board of Directors
Fuwang Foods Limited
House 55, Road 17,
Banani, Dhaka-1000

Subject: Declaration on Financial Statements for the year ended on 30 June 2023

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Asmin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Fu-Wang Foods Limited for the year ended on 30 June 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

(i) We have reviewed the financial statements for the year ended on 30 June 2023 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

(Rafiqul Hasan Khan)
Managing Director

(Md. Azizul Haque)
Chief Financial Officer (CFO)

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BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2023/037

BAPLC

Date of issue : January 17, 2023

Renewed Certificate

This is to certify that

FU-WANG FOODS LIMITED

is an Ordinary Member of **Bangladesh Association of Publicly Listed Companies** *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December **2023.**

BAPLC

Secretary General

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Jasmin&Associates
Chartered Secretaries

Report to the Shareholders
of
Fu Wang Food Ltd.
on Compliance on the Corporate Governance Code

We have examined the Compliance status to the Corporate Governance Code of Fu Wang Food Ltd. for the year ended on June 30, 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistant with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and Verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
(d) The Governance of the company is satisfactory.

For: **Jasmin & Associates**
Chartered Secretaries

Place : Dhaka
Dated : November 22, 2023

Jasmin Akter, FCS
Chief Executive

55/B Noakhali Tower (10th Floor), Suite : 11-F, Purana Paltan, Dhaka-1000, www.jasminandassociates.com
E-mail: jasminandassociates@gmail.com, jasminmizan123@yahoo.com, Phone : 02-9574125, 01712644440, 01711-076815

CORPORATE GOVERNANCE COMPLIANCE STATUS

[As per Annexure-C and Condition No. 1(5) (xxvii) of the Corporate Governance Code]

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.0	**Board of Directors**			
1(1)	**Size of the Board of Directors:**			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1.2	**Independent Directors:**			
1.(2)(a)	At least one fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		
1.(2)(b)	**For the purpose of this clause "independent director" means a director-**			
1.(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1.(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also should not hold above mentioned shares in the company. Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law, and daughter -in-law shall be considered as family members.	✓		
1.(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1.(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1.(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1.(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1.(2)(b)(vii)	Who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1.(2)(b)(viii)	Who is not be an independent director in more than 05 (five) listed companies;	✓		
1.(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Banking Financial Institution (NBFI); and	✓		
1.(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1.(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1.(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1.(2)(e)	**The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.** Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenure [i.e. six years]; Provided further that the independent director shall not be subject to retirement by rotation as per Companies Act, 1994.	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.3	**Qualification of Independent Director**			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1 (3) (b)	**Independent directors shall have following qualifications:**			
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100 million or any listed company or a member of any national or international chamber of commerce or business association; or			Not Applicable.
1(3)(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100 million or of a listed company; or	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not Applicable.
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission;			Not Applicable.
1.4	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive officer**			
1(4)(a)	The positions of the Chairman of the Board and the Managing Director and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or the Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in minutes.	✓		
1.5	**The Director's Report to the Shareholders** The Board of the company shall include the following additional statements or discussion in the Directors, Report prepared under section 184 of the company Act 1994 (Act No. XVIII of 1994)			
1(5)(i)	Industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	Segment-wise or product-wise performance;	✓		
1(5)(iii)	Risk and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);			Not Applicable.
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not Applicable.
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for initial Public Offering (IPO), Repeat Public Offerings (RPO), Rights Share Offer, Direct Listing, etc.;			Not Applicable.
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to directors including independent directors;	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement of proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there are no significant doubts upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of should be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons there of should be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1.5(xxiii)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name wise details where stated below) held by:**			
1.5(xxiii)(a)	Parent or Subsidiary or Associate Companies and other related parties (name wise details);	✓		
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details)	✓		
1.5(xxiii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);			Not Applicable
1(5)(xxiv)	**In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:**			
1(5)(xxiv)(a)	A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)	**A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:**			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reason thereof;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;			
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxv)(h)	Declaration or certification by the CEO and CFO to the Board as required under condition no. 3(3) shall be disclosed as per **Annexure - A**; and	✓		

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Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition no. 9 shall be disclosed as per **Annexure-B** and **Annexure-C**.	✔		
1.6	**Meeting of the Board of Directors**			
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✔		
1.7	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition no. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✔		
1(7)(b)	The Code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✔		
2.0	**Governance of Board of Directors of Subsidiary Company**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✔		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✔		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✔		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✔		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✔		
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3.1	**Appointment**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC);	✔		
3(1)(b)	The positions of the Managing Director or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✔		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✔		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, HIAC and the CS;	✔		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✔		
3.2	**Requirement to attend the board meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;**			
3(2)	MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✔		
3.3	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3(2) (a)	**The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:**			
3(2)(a) (i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✔		
3(2)(a) (ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✔		
3(2) (b)	The MD or CEO and CFO shall certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct for the company's Board or its members;	✔		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(2) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	**Board of Directors' Committee**			
4.1	**For ensuring good governance in the company, the Board shall have at least following sub-committees:**			
4(i)	Audit committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5	**Audit Committee**			
5.1	**Responsibility to the Board of Directors**			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5.2	**Constitution of the Audit Committee**			
5(2)(a)	The Audit Committee shall composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) Independent Director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of services, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The Company Secretary shall act as the Secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5.3	**Chairperson of the Audit Committee**			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director;	✓		
5(3)(b)	In absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for the particular meeting, in that case there shall be no problem of constituting a quorum as required under condition no. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provied that in absenc of Chairperson of the Audit Committee, any other memberfrom the Audit committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the chairperson of the Audit committee shall be recorded in the minutes of the AGM.	✓		
5.4	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least 04 (Four) meetings in a financial year; provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5.5	**Role of Audit Committee**			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(B)	monitor choice of accounting policies and principles;	✓		
5(5)(C)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review the annual financial statements before submission to the Board for approval or adoption;	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓		
5(5)(g)	Review along with the management,the quarterly and half yearly financial statements before submission to the board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transaction submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;			Not Applicable.
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise developed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Right Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission; provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Provided further that on the annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			Not Applicable.
5.6	**Reporting of the Audit Committee**			
5 (6)(a)	**Reporting to the Board of Directors**			
5 (6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5 (6)(a)(ii)	**The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:**			
5 (6)(a)(ii)(a)	report on conflicts of interests;			Not Applicable.
5 (6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			Not Applicable.
5 (6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			Not Applicable.
5 (6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			Not Applicable.
5 (6)(b)	**Reporting to the authorities** If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	✓		
5.7	**Reporting to the Shareholders and General Investors** Report on the activities carried out by the Audit Committee, including any report made to the Board under condition no. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	**Nomination and Remuneration Committee (NRC)**			
6.1	**Responsibility to the Board of Directors**			
6(1)(a)	The company shall have a Nomination an Remuneration Committee (NRC) as a sub-committee of the Board.	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives as well as policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition no. 6(5)(b).	✓		
6.2	**Constitution of the NRC**			
6(2)(a)	The Committee shall compromise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(d)	The Board shall have authority to remove and appoint any member of the committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The Company Secretary shall act as the Secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6.3	**Chairperson of the NRC**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
6.4	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is a must as required under condition no. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6.5	**Role of NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	**NRC shall oversee, among others, the following matters and make report with recommendation to the Board:**			
6(5)(b)(i)	**formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:**			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		ToR of NRC incudes this Role
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		ToR of NRC incudes this Role
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;	✓		ToR of NRC incudes this Role
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			ToR of NRC incudes this Role
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;	✓		ToR of NRC incudes this Role
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		ToR of NRC incudes this Role
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;			ToR of NRC incudes this Role
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		ToR of NRC incudes this Role

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Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		NRC Policy and Report of NRC Shall be disclosed in the Annual Report
7	**External or Statutory Auditors**			
7.1	**The issuer company shall not engage its external or statutory auditors to perform the following services of the company; namely:-**			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal Audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance; and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7.2	No partner or employees of the external audit firms and their family members shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; provided that spouse, son daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	**Maintaining a website by the Company**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	**Reporting and Compliance of Corporate Governance**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with Annexure-C attached, in the directors' Report whether the company has complied with these conditions or not.	✓		

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Independent Auditor's Report to the Shareholders Of Fu-Wang Foods Limited and its Subsidiaries

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Fu-Wang Foods Limited and its subsidiary Fu-Wang Beverage Industries Limited (the Group) as well as the separate financial statements of Fu-Wang Foods Limited (the 'Company') which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. **Refer to Note-9.04,** Share money deposit of BDT. 20,000,000 was injected on 29th March 2023 as per the instruction of BSEC vide letter no. SEC/SRMIC/2000-922/28 dated 20th January 2022. In the above letter, it is said that for the purpose of the compliance of 30% requirement of holding of shares by the Board of Directors, the company shall obtain consent of the Commission for raising capital against share money deposited or collected. Also as per Circular No. 146/GdAviwm/c³kvt/c³Ávcb/ 2020/01 dated 11 February 2020 issued by the Financial Reporting Council (FRC), the amount should have been legally converted into Share Capital within a maximum of 06 (Six) months of such received. However, the company has not yet converted its Share Money Deposit of BDT. 20,000,000 till 26th October 2023 or applied to BSEC for their consent for share issue.

ii. **Refer to Note- 16,** Payable for WPPF and Welfare Fund of BDT. 21,888,533, as per section-234 of Bangladesh Labor Act, 2006, a company is to pay 5% of net profit of the year within 9 months of following the close of year at the proportion of 80:10:10 to the Participatory Fund, Welfare Fund and Workers Welfare Foundation Fund respectively. The company has not made any payments against Workers' Profit Participation Fund (WPPF) during the year. Management also stated that since the inception of WPPF, no payment was made to the Workers Welfare Foundation Fund.

iii. **Refer to Note-10,** 'Current Liabilities and Provision', for the subsidiary, BDT 40,100,000 was reported as 'Deposit against share by holding company' in the financial year 2020-21, which was transferred as a liability with the holding company in Note-10 'Current Liabilities and Provision' in the financial year 2021-22. As per gazette # 146/GdAviwm/c³kvt/c³Ávcb/ 2020/01 dated 11th February 2020, any money received as Share Money Deposit (SMD) or whatever name, included in the Equity, is not refundable. The money received under SMD should be converted into Share Capital within 6 months of receipt of the money. However, it is reported by management that as no receipt of money from the holding company against the said shares was evident, it is adjusted as an intercompany transaction. Also, despite the figure is constant for over 12 months, the figure is reported as current assets and current liabilities instead of non-current liabilities/assets.

iv. **Refer to Note-10(a),** Retained Earnings of BDT. 1,031,798,912, adjustment of tax liability claim during the year of BDT. 19,833,688 is charged as prior year adjustment to retained earnings instead of charging in the statement of profit or loss and other comprehensive income. Had it been charged in the statement of profit or loss and other comprehensive income of current year, Earnings Per Share (EPS) would have been reduced by BDT. 0.18 per share. Hence, the EPS is overstated by the mentioned figure.

v. **Refer to Note-7.01,** Advance against Purchase of BDT. 59,436,209, includes a figure of BDT. 39,531,147 as balance brought forward from previous year. On inquiry to management, no descriptive clarifications were provided for the same. Also, no supplier-wise list was available for the same. Hence, the above-mentioned figure remains unverified and unconfirmed.

vi. **Refer to Note-27(a),** Earnings Per Share (EPS) of BDT. (0.57) per share, share money deposit of BDT. 20,000,000 during the year was not considered in the calculation; whereas, as per gazette # 146/GdAviwm/c³kvt/c³Ávcb/ 2020/01 dated 11th February 2020, any money received as Share Money Deposit (SMD) or whatever name is to be considered as Potential Share Capital and to be incorporated in the calculation of EPS.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matters:

i **Refer to Note-9.03,** 'Composition of Shareholders' of the financial statements, which describes, as per Gazette notification no: BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May 2019, all sponsors and directors other than independent directors of a company listed with any stock exchange shall all time jointly hold minimum 30% (thirty percent) shares of the paid-up capital of the company. Whereas as at 30 June 2023, sponsor shareholders at the company holds only 7.85% of the total paid-up capital.

ii. **Refer to Note-14,** Short Term Bank Loans and Others, includes a temporary loan from the Ex-Managing Director of BDT. 16,580,000 at the year-end, for which no resolutions of the Board of Directors was evident. Although this remains unchanged for over 12 months, it is reported as current liability, instead of non-current liability; a non-compliance of IAS 1.

iii. **As per section 99** of Bangladesh Labor Act 2006 (as amended in 2018), for an establishment with 100 permanent workers, the employer is to arrange group insurance for its employees. The company has not introduced any group insurance for its employee; a non-compliance of the Bangladesh Labor Act.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matters provided in that context.

Short-term bank loans and Long-term loan

See note no 13.00 and 14.00 to The Financial Statements

Key Audit Matter	How the matter was addressed in our audit
At reporting date, the position of loans remained (both short term and long term) amounting to BDT. 186,516,866 for both the Company and the Group. In other words, 15.40% of total liabilities for both the Company and the Group are represented by loans. Evidently, the Company is using loans to operate the business. Therefore, it has been considered as key audit area.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the loans. Our audit procedures included: among others, the followings: • Understanding and reviewing the nature and types of loans; • Reviewing the board minutes for arrangements of the loans; • Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans; • Reviewing the mortgages, major covenants, guarantees and interest rates etc. attached to the loans; • Recalculating the interest related to loans; • Checking the adjustments or repayments of loans through bank statements as per repayment schedule; • Checking whether there is any overdue payments and penal interests; and Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.

Investments in subsidiaries of the Company and its impairment

See Note No 4.00 to the Financial Statements

Key Audit Matter	How the matter was addressed in our audit
The Company has investments amounting to BDT. 9,800,000 on 30 June 2023 held at cost less impairment that represents 1% of the Company's total assets. At the time of conducting our audit of the separate financial statements of the Company we have considered the recoverable value of the Company's investments in Fu-Wang Beverage Industries Limited at cost. Management has conducted impairment assessment and calculated recoverable value of its subsidiary in accordance with IAS-36.	In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation. We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.

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Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs, the Companies Act,1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material is statement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion ,forgery ,intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act,1994 and the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that except for the effects of the matters described in the Basis for Qualified Opinion section of our report:

a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) In our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of those books;

c) The consolidated and the separate statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

d) The expenditure incurred was for the purpose of the Group's and Company's business.

Place: Dhaka, Bangladesh
Dated: 28 October 2023

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Jagadish Chandra Biswas, FCA
Partner
ICAB Enrollment No: 199
DVC: 2310280199AS633505

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FU-WANG FOODS LIMITED

Consolidated Statement of Financial Position

As at 30 June 2023

Particulars	Notes	Amount in Taka	
		30 June 2023	30 Jun 2022
ASSETS:			
Non-Current Assets		**624,549,349**	**590,771,235**
Property, Plant and Equipment	3.00(a)	602,044,011	590,771,235
ROU Assets	3.A	21,016,802	-
Capital Work in Progress	3.B	1,488,535	-
Machinery in Transit		-	**929,760**
Current Assets		**583,723,572**	**604,704,918**
Inventories	5.00(a)	47,945,849	57,222,875
Trade and Other Receivables	6.00(a)	63,411,478	88,634,646
Advances, Deposits and Prepayments	7.00(a)	468,652,281	453,304,215
Cash and Cash Equivalents	8.00(a)	3,713,965	5,543,182
Total Assets		**1,208,272,920**	**1,196,405,913**
EQUITY & LIABILITIES:			
Shareholders' Equity		**269,633,235**	**352,019,013**
Share Capital	9.02	1,106,392,840	1,106,392,840
Revaluation Reserve		172,911,939	173,940,702
Share Money Deposit	9.4	20,000,000	-
Retained Earnings	10.00(a)	(1,031,798,912)	(930,620,610)
Non-Controlling Interest	11.00	127,368	306,081
Non-Current Liabilities		**66,554,844**	**84,926,227**
Deferred Tax Liabilities	12.00	53,360,774	72,933,070
Long Term Loan	13.00	5,970,529	11,993,157
Lease liablity	13.01	7,223,542	-
Current Liabilities		**872,084,841**	**759,460,674**
Short Term Bank Loans and Others	14.00	180,546,337	149,437,649
Trade and Other Payables	15.00(a)	196,820,226	131,090,491
Payable for WPPF and Welfare fund	16.00	21,888,533	19,719,400
Liabilities for Expenses	17.00(a)	127,116,489	114,949,345
Provision for Income Tax	18.00(a)	345,713,255	344,263,788
Total Equity and Liabilities		**1,208,272,920**	**1,196,405,913**
Net Asset Value (NAV) Per Share	26.00(a)	**2.43**	**3.18**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 28 October 2023 and were signed on its behalf by:

Chief Financial Officer **Company Secretary** **Managing Director** **Chairman**

This is the consolidated Statement of Financial Position referred to in our separate report of even date.

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Jagadish Chandra Biswas, FCA
Partner
ICAB Enrollment No: 199
DVC: 2310280199AS633505

Place: Dhaka, Bangladesh
Dated: 28 October 2023

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FU-WANG FOODS LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		1 Jul 2022 to 30 Jun 2023	1 Jul 2021 to 30 Jun 2022
Turnover (Net of VAT)	19.00(a)	1,188,350,639	1,141,466,167
Cost of Goods Sold	20.00(a)	(1,006,492,342)	(1,096,659,517)
Gross profit		**181,858,298**	**44,806,649**
Other Income		1,800,000	-
Operating Expense		**(236,990,028)**	**(257,986,808)**
Administrative Expenses	21.00(a)	(103,185,993)	(155,162,418)
Selling and Distribution Expenses	22.00(a)	(133,804,035)	(102,824,390)
Operating Profit/(loss) before Financial expenses		**(53,331,730)**	**(213,180,159)**
Financial Expenses	23.00	(18,067,594)	(17,657,337)
Profit/(Loss) From Operation		**(71,399,325)**	**(230,837,495)**
Contribution to WPPF and Welfare Fund		-	-
Net Profit Before Tax		**(71,399,325)**	**(230,837,495)**
Income Tax Expenses		**8,000,631**	**(19,913,733)**
Current Tax	24.00(a)	(7,535,103)	(6,848,797)
Deferred Tax	12.04	15,535,735	(13,064,936)
Net Profit After Tax		**(63,398,694)**	**(250,751,228)**
Profit Attributable to:			
Shareholders of the Parent Company	25.00	(63,219,981)	(250,676,589)
Non-Controlling Interest	11.00	(178,713)	(74,639)
		(63,398,694)	**(250,751,228)**
Earnings Per Share (EPS)	27.00 (a)	**(0.57)**	**(2.26)**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 28 October 2023 and were signed on its behalf by:

Chief Financial Officer | **Company Secretary** | **Managing Director** | **Chairman**

This is the Consolidated Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Jagadish Chandra Biswas, FCA
Partner
ICAB Enrollment No: 199
DVC: 2310280199AS633505

Place: Dhaka, Bangladesh
Dated: 28 October 2023

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FU-WANG FOODS LIMITED

Consolidated Statement of Changes in equity

For the year ended 30 June 2023

Particulars	Share Capital	Share Money Deposit	Revaluation Reserve	Retained Earnings	Non Controlling Interest	Total
Opening Balance	1,108,392,840	-	173,940,702	(930,620,612)	306,081	352,019,012
Interim Cash Dividend for on Half yearly audited profit	-	-	-	(5,541,964)	-	5,541,964
Adjustment for investment return	-	-	-	100,000	-	100,000
Share money deposit	-	20,000,000	-	-	-	20,000,000
Prior Period Adjustment	-	-	-	(37,581,680)	-	(37,581,680)
Depreciation on Revaluation-Food	-	-	(4,832,401)	4,832,401	-	-
Depreciation on Revaluation-Beverage	-	-	(232,924)	232,924	-	-
Adjustment for Deferred Tax (Last Year)	-	-	28,721,336	-	-	28,721,336
Adjustment for Deferred Tax (Current Year)	-	-	(24,684,774)	-	-	(24,684,774)
Net Profit for Year	-	-	-	(63,219,961)	(178,713)	(63,398,694)
Balance as at 30 June 2023	**1,108,392,840**	**20,000,000**	**172,911,940**	**(1,031,798,912)**	**127,369**	**269,633,236**

For the year ended 30 June 2022

Particulars	Share Capital	Share Money Deposit	Revaluation Reserve	Retained Earnings	Non Controlling Interest	Total
Opening Balance	1,108,392,840	-	44,397,194	160,767,196	380,720	1,313,937,951
Prior Period Adjustment	-	-		(846,012,702)	-	(846,012,702)
Revaluation Reserve	-	-	150,676,819	-	-	150,676,819
Depreciation on Revaluation	-	-	(5,301,483)	5,301,483	-	-
Adjustment for Deferred Tax (Last Year)	-	-	12,889,508	-	-	12,889,508
Adjustment for Deferred Tax (Current Year)	-	-	(28,721,336)	-	-	(28,721,336)
Net Profit for Year	-	-	-	(250,676,589)	(74,639)	(250,751,228)
Balance as at 30 June 2022	**1,108,392,840**	**-**	**173,940,702**	**(930,620,612)**	**306,081**	**352,019,012**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 28 October 2023 and were signed on its behalf by:

Chief Financial Officer	Company Secretary	Managing Director	Chairman

Place: Dhaka, Bangladesh
Dated: 28 October 2023

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FU-WANG FOODS LIMITED

Consolidated Statement of Cash flows
For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		01 Jul 2022 to 30 June 2023	01 Jul 2021 to 30 June 2022
Cash Flows from Operating Activities:			
Prior period adjustment		(37,581,681)	(741,359)
Collections from Turnover and Others		1,238,555,939	1,191,196,336
Other Income Received		1,800,000	-
Payment for Cost and Expenses		(1,133,357,494)	(1,088,120,561)
Financial Expenses Paid		(18,067,594)	(15,703,162)
VAT Paid		(25,859,742)	(29,702,194)
Income Tax Paid and Deducted at Source		(7,475,850)	(6,977,563)
A. Net Cash Provided from Operating Activities		**18,013,578**	**49,951,497**
Cash Flows from Investing Activities:			
Acquision of Property, Plant and Equipment		(36,797,509)	(11,262,927)
Disposal of Property, Plant and Equipment		81,000	-
Acquision of Capital work in progress		(1,545,939)	-
Right of Use Assets		(28,875,396)	-
Machinery in Transit		-	(929,760)
Share money deposit		20,000,000	-
Investment (Payment)/Return		100000	-
Advance to Subsidiary		-	-
B. Net Cash Used in Investing Activities		**(47,037,844)**	**(12,192,687)**
Cash Flows from Financing Activities:			
Dividend Paid		(5,114,554)	(25,140)
Lease Payment		7,223,542	-
Long term Loan Received/(Paid)		(6,022,629)	(10,574,361)
Short term Loan Received/(Paid)		31,108,688	(26,720,112)
C. Net Cash Provided from Financing Activities		**27,195,047**	**(37,319,613)**
D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(1,829,219)	439,197
E. Cash and Cash Equivalents at the Beginning of the Year		5,543,184	5,103,987
F. Cash and Cash Equivalents at the End of the Year		**3,713,965**	**5,543,184**
Net Operating Cash Flow Per Share	28.00(a)	**0.16**	**0.45**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 28 October 2023 and were signed on its behalf by:

Chief Financial Officer	Company Secretary	Managing Director	Chairman

Place: Dhaka, Bangladesh
Dated: 28 October 2023

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FU-WANG FOODS LIMITED
Statement of Financial Position
As at 30 June 2023

Particulars	Notes	Amount in Taka	
		30 Jun 2023	30 Jun 2022
ASSETS:			
Non-Current Assets		**525,027,503**	**489,077,473**
Property, Plant & Equipment (Net of Depreciation)	3.00	492,722,165	479,177,473
Right of Use Assets	3.A	21,016,802	-
Capital Work in Progress	3.B	1,488,535	-
Investment	4.00	9,800,000	9,900,000
Machinery in Transit		-	**929,760**
Current Assets		**687,487,484**	**705,078,876**
Inventories	5.00	42,153,523	47,620,142
Trade and Other Receivables	6.00	62,247,468	77,172,156
Advances, Deposits and Prepayments	7.00	579,628,285	575733022
Cash and Cash Equivalents	8.00	3,458,208	4,553,556
Total Assets		**1,212,514,986**	**1,195,086,109**
EQUITY & LIABILITIES:			
Shareholders' Equity		**310,398,035**	**383,585,498**
Share Capital	9.00	1,108,392,840	1,108,392,840
Revaluation Reserve		98,133,209	98,929,048
Share Money Deposit	9.04	20,000,000	-
Retained Earnings	10.00	(916,128,014)	(823,736,390)
Non-Current Liabilities		**66,554,844**	**84,926,227**
Deferred Tax Liabilities	12.00	53,360,774	72,933,070
Long Term Loan	13.00	5,970,529	11,993,157
Lease liability	13.01	7,223,542	-
Current Liabilities		**835,562,107**	**726,574,384**
Short Term Bank Loans and Others	14.00	180,546,337	149,437,649
Trade and Other Payables	15.00	189,870,258	127,230,596
Payable for WPPF and Welfare Fund	16.00	21,888,533	19,719,399
Liabilities for Expenses	17.00	125,651,980	114,053,577
Provision for Income Tax	18.00	317,604,999	316,133,161
Total Equity and Liabilities		**1,212,514,986**	**1,195,086,109**
Net Asset Value (NAV) Per Share	26.00	2.80	3.46

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 28 October 2023 and were signed on its behalf by:

Chief Financial Officer | **Company Secretary** | **Managing Director** | **Chairman**

This is the Statement of Financial Position referred to in our separate report of even date.

Place: Dhaka, Bangladesh
Dated: 28 October 2023

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Jagadish Chandra Biswas, FCA
Partner
ICAB Enrolment No: 199
DVC: 2310280199AS633505

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FU-WANG FOODS LIMITED
Statement of Profit or Loss & Other Comprehensive Income
For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
Turnover (Net of VAT)	19.00	1,151,550,072	1,100,937,177
Less: Cost of Goods Sold	20.00	967,864,910	1,056,647,868
Gross profit		**183,685,163**	**44,289,308**
Add: Other Income		1,800,000	-
Less: Operating Expense		**230,102,050**	**250,248,729**
Administrative Expenses	**21.00**	**99,659,338**	**153,127,254**
Selling and Distribution Expenses	22.00	130,442,712	97,121,475
Operating Profit/(Loss) before Financial Expenses		(44,616,887)	(205,959,421)
Less: Financial Expenses	23.00	18,067,594	17,657,337
Profit/(Loss) From Operation		**(62,684,482)**	**(223,616,757)**
Less: Provision to WPPF and Welfare Fund		-	-
Net Profit Before Tax		**(62,684,482)**	**(223,616,757)**
Income Tax Expenses		**(8,221,434)**	**19,670,559**
Current Tax	24.00	7,314,300	6,605,623
Deferred Tax	12.04	(15,535,735)	13,064,936
Profit After Tax		**(54,463,048)**	**(243,287,316)**
Earnings Per Share (EPS)	**27.00**	**(0.49)**	**(2.19)**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 28 October 2023 and were signed on its behalf by:

Chief Financial Officer **Company Secretary** **Managing Director** **Chairman**

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Place: Dhaka, Bangladesh
Dated: 28 October 2023

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Jagadish Chandra Biswas, FCA
Partner
ICAB Enrollment No: 199
DVC: 2310280199AS633505

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FU-WANG FOODS LIMITED
Statement of Changes in equity
For the year ended 30 June 2023

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 July 2022	**1,108,392,840**	**-**	**98,929,048**	**(823,736,390)**	**383,585,498**
Prior Period Adjustment	-		-	(37,219,013)	(37,219,013)
Interim Cash Dividend for 2022-23	-	-	-	(5,541,964)	(5,541,964)
Share Money Deposit		20,000,000	-	-	20,000,000
Depreciation on Revaluation	-	-	(4,832,401)	4,832,401	-
Adjustment for Deferred Tax (Last Year)	-	-	(28,721,336)	-	28,721,336
Adjustment for Deferred Tax (Current Year)	-	-	(24,684,774)	-	(24,684,774)
Revaluation Reserve	-	-	-	-	-
Net Profit for 2022-2023	-	-	-	(54,463,048)	(54,463,048)
Balance as at 30 June 2023	**1,108,392,840**	**20,000,000**	**98,133,209**	**(916,128,015)**	**310,398,035**

For the year ended 30 June 2022

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 July 2021	**1,108,392,840**	**-**	**44,397,194**	**132,975,863**	**1,285,765,897**
Prior Period Adjustment	-	-	-	(718,487,525)	(718,487,525)
Cash Dividend for 2021-2022	-	-	-	-	-
Depreciation on Revaluation	-	-	(5,062,588)	5062588	-
Adjustment for Deferred Tax (Last Year)	-	-	12,889,508	-	12,889,508
Adjustment for Deferred Tax (Current Year)	-	-	(28,721,336)	-	(28,721,336)
Revaluation Reserve	-	-	75,426,270	-	75,426,270
Net Profit for 2021-2022	-	-	-	(243,287,316)	(243,287,316)
Balance as at 30 June 2022	**1,108,392,840**	**-**	**98,929,048**	**(823,736,390)**	**383,585,498**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 28 October 2023 and were signed on its behalf by:

Chief Financial Officer	Company Secretary	Managing Director	Chairman

Place: Dhaka, Bangladesh
Dated: 28 October 2023

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FU-WANG FOODS LIMITED
Statement of Cash flows
For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
Cash Flows from Operating Activities:			
Collections from sales		1,186,814,417	1,142,617,243
Other Income Received		1,800,000	-
Prior period adjustment		(37,219,013)	-
Payment for Cost and Expenses		(1,098,460,830)	(1,063,041,413)
Financial Expenses Paid		(18,067,594)	(15,703,162)
VAT Paid		(20,339,657)	(23,622,845)
Income Tax Paid and Deducted at Source		(7,232,676)	(6,577,563)
A. Net Cash Provided from Operating Activities		**7,294,646**	**33,672,260**
Cash Flows from Investing Activities:			
Acquision of Property, Plant and Equipment		(36,797,509)	(10,860,627)
Disposal of Property, Plant and Equipment		81,000	-
Acquision of Capital work in progress		(1,545,939)	-
Right of Use Assets		(28,875,397)	-
Machinery in Transit		-	(929,760)
Share money deposit		20,000,000	-
Investment (Payment)/Return		100000	-
Advance from Subsidiary		11,452,802	15,882,479
B. Net Cash Used in Investing Activities		**(35,585,042)**	**4,092,092**
Cash Flows from Financing Activities:			
Dividend Paid		(5,114,553)	(25,140)
Lease Payment		7,223,542	-
Long Term Loan Received/(Paid)		(6,022,628)	(10,574,361)
Short Term Loan Received/(Paid)		31,108,688	(26,720,112)
C. Net Cash Provided from Financing Activities		**27,195,048**	**(37,319,613)**
D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		(1,095,348)	444,739
E. Cash and Cash Equivalents at the Beginning of the Year		4,553,556	4,108,818
F. Cash and Cash Equivalents at the End of the Year		**3,458,208**	**4,553,557**
Net Operating Cash Flow Per Share (NOCFPS)	**28.00**	**0.07**	**0.30**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 28 October 2023 and were signed on its behalf by:

Chief Financial Officer	Company Secretary	Managing Director	Chairman

Place: Dhaka, Bangladesh
Dated: 28 October 2023

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FU-WANG FOODS LIMITED

Notes to the Financial Statements
For the Year ended 30 June 2023

1. Reporting entity

1.1 The Company

Fu-Wang Foods Limited (hereinafter referred to as "the Company") was initially 100% owned by foreign nationals, was incorporated vide registration no C-32346(1467)/97 on 17 February 1997 as private limited company and subsequently converted into public company limited by shares on 05 June 1999. It is now a public limited company with foreign and local shareholders. The company listed with Dhaka Stock Exchange Limited (DSE) in the year 2000 and listed with Chittagong Stock Exchange Limited (CSE) in the year 2000. The shares of the company are traded in Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited of Bangladesh.

1.2 Address of Company:

The principal place of business is the registered office at House # 55, Road # 17, Banani C/A, Dhaka-1213, Bangladesh and the factories are located at Bokran Monipur, Hotapara, Gazipur.

1.3 Nature of business

The company owns and operates industrial plants for foods items and sales thereof.

1.4 Number of Employees

On the payroll of the Company, there were 252 officers including Staffs and 400 permanent workers and 340 daily workers/technicians apart from many casual/ contract technicians/ workers. workers.

Sl. No	No. of employe	Details	Amount in Tk.
i)	992	Staff/Officers/Employees drew yearly salary & allowances of Tk. 36,000 or more	152,796,956
ii)	Nil	Staff/Officers/Technicians and many other casual workers drew yearly salary/wages & allowances less than Tk. 36,000	Nil

2. Significant Accounting Policies and Basis of preparation of financial Statements:

2.1 Basis of preparation of financial statements

2.1.1 Statement on compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant laws applicable in Bangladesh.

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2.1.2 Other regulatory compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations in Bangladesh:

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- Income Tax Act 2023
- The Value Added Tax and Supplementary duty Act, 2012
- The Value Added Tax and Supplementary duty Rules, 2016
- The Customs Act, 1969
- The Stamp Act, 1899
- The Bangladesh Securities and Exchange Commission Act, 1993
- The Bangladesh Securities and Exchange Commission Rules, 1987
- DSE/CSE Rules
- Listing Regulations, 2015
- Bangladesh Labour Act, 2006 (as amended to2013).
- Financial Reporting Act, 2015.

2.1.3 Basis of Preparation

The financial statements have been prepared based on the accrual basis of accounting following going concern assumption and prepared under the historical cost convention.

2.1.4 Accrual basis of accounting

The Limited prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IAS or IFRS conceptual Framework.

2.1.5 Presentation of financial statements

The presentation of these financial statements is in accordance with the guidelines provided by **IAS 1: Presentation of Financial Statements.** The financial statements comprise of:

(a) Statement of Financial Position as at 30 June 2023.

(b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023.

(c) Statement of Changes in Equity for the year ended 30 June 2023.

(d) Statement of Cash Flows for the year ended 30 June 2023.

(e) Notes, comprising summary of significant accounting policies and other explanatory information.

2.1.6 Functional and presentation currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company.

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The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.1.7 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards and International Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by **IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.**

2.1.8 Materiality, aggregation and offsetting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the year.

2.1.9 Going concern assumption

As per IAS-1 para 25, a company is required to make assessment at the end of each year to assess its capability to continue as a going concern. Management of the Company makes such assessment each year. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.1.10 Reporting period

The reporting period of the company covers 12 months from 01 July 2022 to 30 June 2023.

2.1.11 Comparative information

Comparative information has been disclosed in respect of 01 July 2022 to 30 June 2023 in accordance with **IAS 01: Presentation of Financial Statements** for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been rearranged wherever considered necessary to ensure comparability with the current year.

2.2 Significant accounting policies

2.2.1 Property, plant and equipment

Recognition and measurement

An item shall be recognized as property, plant and equipment if, and only it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably. Property, Plant and Equipment are stated at their cost (Fair value for Building & other construction) less accumulated depreciation in accordance with **IAS 16 "Property, Plant and Equipment".**

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs

directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/ implementation of the Property, Plant and Equipment, if the recognition criteria are met.

The cost of self-constructed assets includes the cost of material and direct labor and other costs directly attributable to bringing the assets to a working condition inclusive of inward freight, duties and non-refundable taxes for their intended use.

Subsequent costs

The subsequent expenditure is only capitalized as part of assets when the useful life or economic benefit or both of that asset is increased provided that it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of day to day servicing of property, plant and equipment are recognized in the Statement of Profit or loss and Other Comprehensive Income as 'Repair and Maintenance' when it is incurred.

Depreciation on Non-current assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provision of IAS 16 Property, Plant and Equipment. Depreciation is charged on additions made during the year for the full year in which those assets are put into ready for use and on which depreciation is charged on Straight line basis. Depreciation is charged on all the fixed assets except land and land development cost at the following rates according to the estimated life disclosed in the valuation report.

Categories of Property, Plant & Equipments	Rate of Depreciation
Factory and Head office building	2.50 to 5%
Plant and machinery	5%
Office equipment	20%
Furniture and Fixtures	10%
Motor vehicles	10%
Other assets	10% to 20%

Depreciation methods, useful lives and residual values are reviewed after each reporting period.

Revaluation of property, plant and equipment

As per **IAS 16: Property, Plant and Equipment** paragraph 34, "the frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years".

Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future periods based on the actual experience.

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Disposal of property, plant and equipment

An item of Property, Plant and Equipment is removed from the statement of financial position when it is dispose of or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant and Equipment is included in the statement of profit or loss of the period in which the de-recognition occurs.

2.2.2 Trade and Other Receivables

This is considered good and collectible and therefore, no amount was written off as bad debt and necessary provision is made for bad debts

2.2.3 Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to the statement of profit or loss and other comprehensive income.

2.2.4 Inventories

Inventories comprise raw material, finished goods and packing materials which are stated at the lower of cost and net realizable value on consistent basis in accordance with IAS 2. Net realizable value is based on estimated selling price less any further costs expected to be incurred for completion and disposal.

2.2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per **IAS 23: Borrowing Costs.**

2.2.6 Authorization date for issuing financial statements

The financial statements were authorized by the Board of Directors on 28 October 2023 for issue after completion of review.

2.2.7 Revenue from contract with customers

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange of services when (or as) it transfers control to the customer. To achieve that core principle, IFRS-15 establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised service to a customer. Service is considered as transferred when (or as) the customer obtains control of that service. Revenue from sale of service is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT). Where the amounts received or receivable from customers exceeded the revenues recognized for contracts,

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contract liabilities or advance billings are recognized in the statement of Financial Position as Unearned Revenue. Contract liabilities or advance billings are recognized as revenue when services are provided to customers satisfying the performance obligation.

2.2.8 Leases

Financial Reporting Principles **IFRS 16: Leases** effective from annual periods beginning on or after January 1, 2019 has significantly changed how the company accounts for its lease contracts. Before the adoption of IFRS 16, all lease contracts were classified as operating leases. IFRS 16 requires all contracts that contain a lease to be recognized in the statement of financial position as a right-of-use asset and lease liability. Only certain short-term and low-value leases are exempt. In such cases the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis in the statement of profit or loss and other comprehensive income

The company has rental agreements & Four motor vehicles purchase on installment basis, In compliance with the standard, the company has elected to recognize right of use assets and lease liabilities.

2.2.9 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and with banks on current accounts and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

2.2.10 Proposed Dividend

Propose dividend in cash is considered as "Liability" in accordance with the provisions of the Companies Act, 1994, the Securities and Exchanges Rules, 1987 and IAS 10 "Contingencies and Events Occurring After the Balance Sheet Date". IAS 10 (original version) provides that "dividend proposed or declared after the balance sheet date but before approval of the financial statements should be either adjusted for or disclosed".

2.2.11 Interim dividend

The Company had declared and paid 0.50% cash dividend on half yearly audited profit.

2.2.12 Earnings Per Share (EPS)

Earnings Per Share (EPS) are calculated in accordance with the International Accounting Standard IAS

33: Earnings Per Share. which has been shown on the face of statement of comprehensive income and the computation of EPS is stated in Note-27.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest to extra ordinary items, the net profit for the year has been considered as fully attributable to the ordinary shareholders.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share

For the purpose of calculating Diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. Diluted EPS is only calculated where the company has commitment to issue ordinary share in future at reporting date.

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No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review

2.2.13 Foreign currency transactions

Transactions denominated in foreign currencies are translated into Bangladesh Taka and recorded at rates of exchange ruling on the date of transaction in accordance with IAS 21 "The Effects of Changes in Foreign Currency Rates".

2.2.14 Employee benefits

The company maintains defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds and rules. The plan is funded and recognized/approved under Income Tax Ordinance 1984.

(a) Defined contribution plan (Provident fund)

The Company operates a contributory provident fund for its permanent employees. Provident fund is administered by a Board of Trustees and is funded by contributions partly from the employees and partly from the Company at pre-determined rates. These contributions are invested separately from the Company's assets.

(b) Defined Benefit Plan (Gratuity)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to current and former employees.

2.2.15 Accruals, provisions and contingencies

(a) Accruals

Accruals are liabilities to pay for services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of Trade and other payables.

(b) Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting period the company has made sufficient provisions where applicable.

(c) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future

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events not wholly within the control of the company. At the reporting date the company does not have any contingent asset.

2.2.16 Statement of cash flows

The Statement of Cash Flows has been prepared in accordance with the requirements of **IAS 7: Statement of Cash Flows.** The cash generating from operating activities has been reported using the Direct Method and Indirect Method as prescribed by the Securities and Exchange Rules,1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

2.2.17 Related party disclosures

As per International Accounting Standards **IAS 24: Related Party Disclosures, parties are considered** to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note-64.

2.2.18 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with **IAS 12: Income Tax.**

(a) Current tax

Taxation is provided in accordance with fiscal regulations applicable. The company is publicly traded company as per the Income Tax Act, 2023. The company qualifies for being treated as a "Publicly Traded Company" for which the rate for tax at 22.50% or minimum Tax rate 0.60% has been applied for while making provision for income tax.

(b) Deferred tax

Deferred tax is recognized as income or an expense amount within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with as Other Comprehensive income (such as a revaluation) is recognized as tax relating to Other Comprehensive income within the statement of Profit or loss and Other Comprehensive income.

Taxable Temporary difference

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Revaluations to fair value – Property, Plant and Equipment

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore give rise to a deferred tax liability.

Deductible temporary difference

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

2.2.19 Events after the Reporting period

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2.2.20 Events after the Reporting period

Events after the reporting period that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements as per International Accounting Standards **IAS 10: Events after the Reporting Period.**

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed.

Compliance with financial reporting standards as applicable in Bangladesh

The Company as per Para-12 of Securities & Exchange Rule-1987, with the following International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

IAS No.	IAS Title	Compliance Status
1	Presentation of Financial Statements	Complied
2	Inventories	Complied
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied
19	Employee Benefits	Complied
21	The Effects of Changes in Foreign Exchange Rates	Complied
23	Borrowing Costs	Complied
24	Related Party Disclosures	Complied
27	Separate Financial Statements	Complied
32	Financial Instruments: Presentation	Complied
33	Earnings per Share	Complied
36	Impairment of Assets	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied

IFRS No.	IFRS Title	Compliance Status
7	Financial Instruments: Disclosures	Complied
10	Consolidated Financial Statements	Complied
13	Fair Value Measurement	Complied
15	Revenue from Contracts with Customers	Complied
16	Leases	Complied

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Notes	Particulars		Amount in Taka	
			30 Jun 2023	30 Jun 2022
3.00	**Property, Plant and Equipment: Tk. 492,722,165**			
	The above balances are made up as follows:			
	Cost	3.01	931,377,049	893,997,558
	Less: Accumulated depreciation	3.02	438,654,884	414,820,085
	Written Down Value		**492,722,165**	**479,177,473**
3.01	**Cost: Tk. 931,377,049**			
	The above balances are made up as follows:			
	Opening Balance		893,997,558	1,048,813,996
	Add: Prior period Adjustment for Re-valuation		-	75,426,270
	Less: Prior Period Adjustment for Impairment		-	243,656,209
	Add : Addition during the year		39,215,804	13,413,501
			933,213,362	**893,997,558**
	Less: Adjustment made during the year		1,836,313	-
	Balance as at 30 June		**931,377,049**	**893,997,558**
3.02	**Accumulated Depreciation: Tk. 438,654,884**			
	The above balances are made up as follows:			
	Opening Balance		414,820,085	392,196,493
	Add : Addition during the year		23,926,980	22,623,592
			438,747,065	**414,820,085**
	Less: Adjustment made during the year		92,182	-
	Balance as at 30 June		**438,654,884**	**414,820,085**
3.A	**ROU Assets: Tk. 21,016,802**			
	The above balances are made up as follows:			
	Cost	3A1	28,875,397	-
	Less: Accumulated depreciation	3A2	7,858,595	-
	Written Down Value		**21,016,802**	**-**
3.A1	**Cost: Tk. 28,875,397**			
	The above balances are made up as follows:			
	Opening Balance		-	-
	Add : Addition during the year		28,875,397	-
			28,875,397	**-**
	Less: Adjustment made during the year		-	-
	Balance as at 30 June		**28,875,397**	**-**
3.A2	**Accumulated Depreciation: Tk. 7,858,595**			
	The above balances are made up as follows:			
	Opening Balance		-	-
	Add : Addition during the year		7,858,595	-
			7,858,595	**-**
	Less: Adjustment made during the year		-	-
	Balance as at 30 June		**7,858,595**	**-**
3.B	**Capital work in Progress: Tk. 1,488,535**			
	The above balances are made up as follows:			
	Opening Balance		-	-
	Prior year adjustment for work in progress		574,035	-
	Add : Addition during the year		914,500	-
			1,488,535	**-**
	Less: Adjustment made during the year		-	-
	Balance as at 30 June		**1,488,535**	**-**

Details of Property, Plant and Equipment have been shown in 'Annexure - A'.

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
3.00(a)	**Consolidated Property, Plant and Equipment: Tk. 602,044,011**		
	The above balances are made up as follows:		
	Fu-Wang Foods Ltd.		
	At Cost/Revaluation	931,377,049	893,997,558
	Less : Accumulated Depreciation	438,654,884	414,820,085
	Sub total	**492,722,165**	**479,177,473**
	Fu-Wang Beverage Industry Ltd.		
	At Cost/Revaluation	179,389,348	179,389,348
	Less : Accumulated Depreciation	70,067,503	67,795,586
	Sub total	**109,321,845**	**111,593,762**
	Total	**602,044,012**	**590,771,235**
4.00	**Investment : Tk. 9,800,000**		
	The above balances are made up as follows:		
	Investment in Fu-Wang Beverage Industry Limited		
	Opening Balance	9,900,000	50,000,000
	Add: Addition during the year	-	-
		9,900,000	**50,000,000**
	Less: Adjustment/Payment receipt during the year	100,000	40,100,000
	Balance as at 30 June	**9,800,000**	**9,900,000**
	The Company invested in shares of Fu-Wang Beverage Industry Limited by acquiring its 99% shares initially at a cost of Tk. 9,900,000 (99,000 Shares of Tk. 100 each); on 28 March 2011; this year 1% share transfer to Mr. Mirza Rashed, after that holding stands 98% hence making Fu-Wang Beverage Industry Limited a subsidiary of Fu-Wang Foods Limited.		
5.00	**Inventories :Tk. 42,153,523**		
	The above balances are made up as follows:		
	Stock of Raw Materials	13,884,060	12,043,423
	Stock of Finished Foods	6,650,177	14,604,759
	Stock of Packing Materials	21,619,285	20,971,960
	Total	**42,153,523**	**47,620,142**
5.00(a)	**Consolidated Inventories: Tk. 47,945,849**		
	The above balances are made up as follows:		
	Fu-Wang Foods Ltd.		
	Stock of Raw Materials	13,884,060	12,043,423
	Stock of Finished Foods	6,650,177	14,604,759
	Stock of Packing Materials	21,619,285	20,971,960
	Sub total	**42,153,523**	**47,620,142**
	Fu-Wang Beverage Industry Ltd.		
	Stock of Raw Materials	1,337,272	1,565,067
	Stock of Finished Foods	2,015,789	4,468,020
	Stock of Packing Materials	2,439,265	3,569,646
	Sub total	**5,792,326**	**9,602,733**
	Total	**47,945,849**	**57,222,875**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
6.00	**Trade and Other Receivables: Tk. 62,247,468**		
	The above balances are made up as follows:		
	Trade Receivables (6.01)	17,063,616	32,048,304
	Others Receivable (6.02)	45,123,852	45,123,852
	Rental Receivable	60,000	-
	Balance as at 30 June	**62,247,468**	**77,172,156**
6.01	**Trade Receivables: Tk. 17,063,616**		
	The above balances are made up as follows:		
	Opening Balance	32,048,304	394,176,055
	Less: Prior period Adjustment	-	363,373,938
	Adjusted Opening Balance	**32,048,304**	**30,802,117**
	Add: Sales during the year (Note # 19.00)	1,171,889,730	1,124,560,022
		1,203,938,033	**1,155,362,139**
	Less: Realised during the year	1,181,294,093	1,123,313,835
	Less: Provision for Bad debts	5,580,324	-
	Balance as at 30 June	**17,063,616**	**32,048,304**
	Aging of Trade Receivables		
	Below 30 days	12,354,398	24,608,504
	Within 31-60 days	1,992,258	3,719,902
	Within 61-90 days	1,031,734	1,859,950
	Within 91-180 days	1,685,226	1,301,965
	Above 180 days	-	557,985
		17,063,616	**32,048,306**
	The classification of receivables as required by the schedule XI of the Companies Act, 1994 are given below:		
	Receivable considered good in respect of which the company is fully secured	17,063,616	32,048,306
	Receivable considered good in respect of which the company holds no security other than the debtor personal security	-	-
	Receivables considered doubtful bad	5,580,324	-
	Receivable to Directors	N/A	N/A
	Receivables due by common management	N/A	N/A
	The maximum amount of receivable due by any directors or other officer of the company	N/A	N/A
	Total	**22,643,940**	**32,048,306**
6.02	**Others Receivable**		
	The above balances are made up as follows:		
	Opening Balance	45,123,852	-
	Add: Prior period Adjustment	-	64,427,260
	Adjusted Opening Balance	**45,123,852**	**64,427,260**
	Less: Realised during the year	-	19,303,408
	Balance as at 30 June	**45,123,852**	**45,123,852**
6.00(a)	**Consolidated Trade and Other Receivables: Tk. 63,411,477**		
	The above balances are made up as follows:		
	Fu-Wang Foods Ltd.	62,247,468	77,172,156
	Fu-Wang Beverage Industry Ltd.	1,164,009	11,462,490
	Total	**63,411,477**	**88,634,646**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
7.00	**Advances, Deposits and Prepayments: Tk. 579,628,285**		
	The above balances are made up as follows:		
	Advances (7.01)	570,699,897	567,568,934
	Deposits (7.02)	8,928,388	8,164,088
	Total	**579,628,285**	**575,733,022**
7.01	**Advances: Tk. 570,699,897**		
	The above balances are made up as follows:		
	Advance Against Rent (Ctg. Branch)	119,000	119,000
	Advance Against Rent (Rangpur Branch)	-	81,000
	Advance Against Rent (Mymensingh Branch)	-	213,875
	Advance Against Rent (Sylhet Branch)	100,000	100,000
	Advance Against Rent (Bogra Branch)	-	91,000
	Advance Against Rent (Sirajgong Branch)	-	86,000
	Advance Against Rent (Gazipur Branch)	-	50,000
	Advance Against Rent (Barishal Branch)	-	56,000
	Advance Against Rent (Madaripur Branch)	-	30,000
	Advance Against Rent (Mahammadpur Branch)	11,500	11,500
	Advance against LC Margin (LC NO.140720010068)	-	315,964
	Advance to Emerald Oil Industries Ltd	2,000,000	-
	Advance Income Tax (Note 7.01.1)	353,131,209	351,740,995
	Advance Against Salary	733,500	922,000
	Advance Against Purchase	59,436,209	48,341,081
	Advance Against others	1,779,927	569,165
	Advance to Fu-Wang Beverage Ind. Ltd.	153,388,552	164,841,354
	Total	**570,699,897**	**567,568,934**
7.01.1	**Advance Income Tax : Tk. 353,131,209**		
	The above balances are made up as follows:		
	Opening balance	351,740,995	349,977,834
	Add : Addition during the year	1,390,214	1,763,161
		353,131,209	**351,740,995**
	Less : Adjustment made during the year	-	-
	Balance as at 30 June	**353,131,209**	**351,740,995**
7.01.2	**Elements of Advance for Prior period adjustment : Tk. 0**		
	Current Account (VAT)	-	4,375,844
	Advance Against VAT	-	6,000,000
	Advance for VAT Tribunal	-	10,222,777
	Advance Against Bristy Biscuit Factory	-	1,956,598
	Opening Balance	-	**22,555,219**
	Less: Prior period Adjustment	-	22,555,219
	Adjusted Closing Balance	-	-
7.02	**Deposits: Tk. 8,928,388**		
	The above balances are made up as follows:		
	Titas Gas T and D Co. Ltd. (Gas connection)	3,592,198	3,592,198
	Margin Against Bank Guarantee–Titas Gas	5,028,190	4,263,890
	T and T Phone (Factory)	8,000	8,000
	Deposit to CDBL	300,000	300,000
	Total	**8,928,388**	**8,164,088**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
7.02.1	**Deposit for Prior period adjustment: Tk. 0**		
	VAT deposit against appeal	-	1,005,884
	Bangladesh Sugar and Food Industry Corporation	-	75,000
	City cell Mobile	-	15,000
	Opening Balance	-	1,095,884
	Less: Prior period Adjustment	-	1095884
	Adjusted Closing Balance	-	-
7.00(a)	**Consolidated Advances, Deposits and Prepayments: Tk. 468,652,280**		
	The above balances are made up as follows:		
	Fu-Wang Foods Ltd.		
	Advances	570,699,897	567,568,934
	Deposits	8,928,388	8,164,088
	Sub total	**579,628,285**	**575,733,022**
	Fu-Wang Beverage Industry Ltd.		
	Margin on Bank Guarantee (Titas Gas, T and D Co. Ltd)	7,763,340	7,763,340
	Advance Income Tax	34,649,207	34,649,207
	Sub total	**42,412,547**	**42,412,547**
	Total	**622,040,832**	**618,145,569**
	Less: Adjust with Subsidiary Company	153,388,552	164,841,354
		468,652,280	**453,304,215**
8.00	**Cash and Cash Equivalents: Tk. 3,458,208**		
	The above balances are made up as follows:		
	Cash in Hand 8.01	398,369	625,130
	Cash at Banks 8.02	3,059,839	3,928,426
	Total	**3,458,208**	**4,553,556**
8.01	**Cash in Hand: Tk. 398,369**		
	The above balances are made up as follows:		
	At Head Office	18,369	245,130
	At Factory	50,000	50,000
	At Bogra Branch Office	70,000	70,000
	At Sylhet Branch Office	20,000	20,000
	At Rangpur Branch Office	40,000	40,000
	At Jessore Branch Office	90,000	90,000
	At Mymensingh Branch Office	30,000	30,000
	At Barisal Branch Office	80,000	80,000
	Total	**398,369**	**625,130**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
8.02	**Cash at Banks: Tk. 3,059,839**		
	The above balances are made up as follows:		
	Pubali Bank Ltd., Local Office Dhaka STD-1144	14000	16,741
	Dutch Bangla Rocket Account	925906	1,028,785
	Dutch Bangla Bank Ltd.-CD-39015	771076	757,687
	Sonali Bank Ltd., Banani Br., CA 313	235411	555,016
	Dhaka Bank Ltd-CD 2877	5148	-
	Dhaka Bank Ltd., CD-6908	178075	308,819
	Standard Bank Ltd., Gulshan Br., CD-34003721	-	11,239
	Pubali Bank Ltd. Gulshan Br., CD-17903	930223	1,260,139
	Total	**3,059,839**	**3,928,426**
8.00(a)	**Consolidated Cash and Cash Equivalents: Tk. 3,713,965**		
	The above balances are made up as follows:		
	Fu-Wang Foods Ltd.		
	Cash in Hand	398,369	625,130
	Cash at Banks	3,059,839	3928426
	Sub total	**3,458,208**	**4,553,556**
	Fu-Wang Beverage Industry Ltd.		
	Cash in Hand	40,000	40,000
	Cash at Banks	215,757	949,626
	Sub total	**255,757**	**989,626**
	Total	**3,713,965**	**5,543,182**
9.00	**Share Capital: Tk. 1,108,392,840**		
9.01	**Authorized Capital : Tk. 1,500,000,000**		
	150,000,000 ordinary shares @ of Tk. 10/= each	1,500,000,000	1,500,000,000
9.02	**Issued, Subscribed & Fully Paid-up Capital: Tk. 1,108,392,840**		
	110,839,284 ordinary shares @ of Tk. 10/= each issued for cash	1,108,392,840	1,108,392,840

The break up of the above amount is as under :

Date	No. of Shares	Particulars	30 June 2023	30 June 2022
17.02.1997	16,000,000	Ordinary of Tk. 10 each fully paid- up	160,000,000	160,000,000
22.12.2005	2,400,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	24,000,000	24,000,000
15.11.2009	1,840,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	18,400,000	18,400,000
15.12.2010	4,048,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	40,480,000	40,480,000
15.12.2010	20,240,000	Ordinary of Tk. 10 each fully paid- up issued as right shares	202,400,000	202,400,000
26.12.2011	8,905,600	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	89,056,000	89,056,000
23.12.2012	6,412,032	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	64,120,320	64,120,320
26.12.2013	5,984,563	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	59,845,630	59,845,630
28.12.2014	6,583,019	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	65,830,190	65,830,190
27.12.2015	10,861,982	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	108,619,820	108,619,820
21.12.2016	8,327,519	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	83,275,190	83,275,190
29.12.2017	9,160,271	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	91,602,710	91,602,710
23.12.2018	10,076,298	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	100,762,980	100,762,980
	110,839,284		**1,108,392,840**	**1,108,392,840**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022

9.03 Composition of the Shareholders:

Sl. No.	Particulars	30/Jun/2023			30/Jun/2022		
		No. of Shares	Value of Shares	%	No. of Shares	Value of Shares	%
01	Directors/ Sponsors	8,698,759	86,987,590	7.85%	8,698,759	86,987,590	7.85%
02	Institutions	12,101,526	121,015,260	10.92%	6,694,787	66,947,870	6.04%
03	Foreign	1,203,161	12,031,610	1.09%	417,852	4,178,520	0.38%
04	General Public	88,835,838	888,358,380	80.15%	95,027,886	950,278,860	85.73%
	Total	**110,839,284**	**1,108,392,840**	**100%**	**110,839,284**	**1,108,392,840**	**100%**

Note: Although the Sponsors/Directors Shareholding position is 7.85% as on 30 June 2023. But the Directors are trying to comply the BSEC notification No. BSEC/CMRRCD/2009-193/217/Admin/90, dated May 21, 2019.

The distribution schedule showing the number of share holders and their share holdings in percentage has been disclosed below:

Range of Share Holdings	As per Folio		As per BO ID		Total No. Holder	Total No. of Share	Percentage (%)
	Holders	Shares	Holders	Shares			
Less than 500	532	91,273	5,942	1,184,758	6,474	1,276,031	1.15%
501 to 5,000	102	112,200	10,295	20,076,749	10,397	20,188,949	18.21%
5,001 to 10,000	2	13,250	1,348	10,643,488	1,350	10,656,738	9.61%
10,001 to 20,000	1	11,500	826	12,530,234	827	12,541,734	11.32%
20,001 to 30,000	1	23,000	356	8,975,195	357	8,998,195	8.12%
30,001 to 40,000	1	36,277	148	5,327,605	149	5,363,882	4.84%
40,001 to 50,000	1	41,975	131	6,110,739	132	6,152,714	5.55%
50,001 to 100,000	1	57,500	166	12,466,091	167	12,523,591	11.30%
100,001 to 1,000,000	-	-	96	22,767,559	96	22,767,559	20.54%
Over 1,000,000	-	-	2	10,369,891	2	10,369,891	9.36%
Total	**641**	**386,975**	**19,310**	**110,452,309**	**19,951**	**110,839,284**	**100%**

9.04 Share Money Deposit: Tk. 20,000,000

The above balances are made up as follows:

Opening Balance	-	-
Add : Addition during the year	20,000,000	-
(Deposit from Minori Bangladesh Ltd)	**20,000,000**	**-**
Less: Share allotment during the year	-	-
Balance as at 30 June	**20,000,000**	**-**

10.00 Retained Earnings: Tk. -916,128,014

The above balances are made up as follows:

Opening Balance	(823,736,390)	132,975,863
Prior Period Adjustment	(37,219,013)	(718,487,525)
Adjusted Opening Balance	**(860,955,403)**	**(585,511,662)**
Add: Profit after tax for the year	(54,463,048)	(243,287,316)
Add: Depreciation on Revaluation	4832401	5,062,588
Profit available for Appropriation	(910,586,050)	(823,736,390)
Less: Appropriations	-	-
Utilized for Interim Cash Dividend (At 0.50%) on half yearly profit	5,541,964	-
Total	**(916,128,014)**	**(823,736,390)**

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Notes	Particulars		Amount in Taka	
			30 Jun 2023	30 Jun 2022
10.00(a)	**Consolidated Retained Earnings: Tk. -1,031,798,912**			
	The above balances are made up as follows:			
	Fu-Wang Foods Limited		(916,128,014)	(823,736,390)
	Fu-Wang Beverage Industry Ltd.at 99%		(105,611,358)	(105,611,358)
	Fu-Wang Beverage Industry Ltd.at 98%		(8,756,934)	-
	Fu-Wang Beverage Industry Ltd.-Prior period Adj		(362,667)	-
	Investment adjustment		100,000	-
	Fu-Wang Beverage Industry Ltd.-Prior period Adj		(1,272,863)	(1,275,252)
	Fu-Wang Beverage Industry Ltd.-Dep on rev Adj		232,924	2,389
	Total		**(1,031,798,912)**	**(930,620,610)**
11.00	**Non-Controlling Interest: Tk. 127,368**			
	The above balances are made up as follows:			
	Opening Balance (1% of Subsidiary Net Assets)		(306,081)	380,720
	Profit/(Loss) for the year ended 30 June 2023		(178,713)	(74,639)
	Total		**127,368**	**306,081**
12.00	**Deferred Tax Liabilities: Tk. 53,360,774**			
	Deferred Tax Liability for Temporary Difference of PPE	12.01	24,732,320	44,211,734
	Deferred Tax Liability for Revaluation	12.02	24,684,774	28,7213,36
	Deferred Tax Liability of PPE (Land)	12.03	3,943,680	-
	Deferred Tax Liability as at 30 June 2023		**53,360,774**	**72,933,070**
12.01	**Deferred Tax Liability for Temporary Difference of PPE: Tk. 24,732,320**			
	Opening Balance		44,211,735	58,059,911
	Less: Prior period Adjustment		-	26,913,112
	Adjusted Opening Balance		**44,211,735**	**31,146,799**
	Addition during the year		(19,479,415)	13,064,936
	Closing Balance		**24,732,320**	**44,211,735**
	Calculation of Deferred Tax Liability:			
	Accounting Base Written Down Value (WDV)		317,284,060	396,247,547
	Tax Base written down value (WDV)		207,362,638	199,750,946
	Taxable Temporary Difference		109,921,423	196,496,601
	Applicable Tax Rate		22.5%	22.5%
	Total Deferred tax Liability for Temporary Difference of PPE		**24,732,320**	**44,211,735**
	Less: Adjusted Opening Deferred Tax Liability for Temporary Difference of PPE		44,211,735	31,146,799
	Deferred Tax income/expense (A)		**(19,479,415)**	**13,064,935**
12.02	**Deferred Tax Liability for Revalutation of PPE: Tk. 24,684,774**			
	Opening Balance		28721336	12,889,508
	Add: Prior period Adjustment		-	16,970,910
	Adjusted Opening Balance		**28721336**	**29,860,418**
	Addition during the year		(4,036,562)	(1,139,082)
	Closing Balance		**24,684,774**	**28,721,336**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
12.03	**Deferred Tax Liability of PPE (Land): Tk. 3,943,680**		
	Land- carrying at cost	52,620,123	-
	Land- carrying at cost	13,107,877	-
		65,728,000	-
	Tax rate@6%	6%	
	Closing Balance (B)	**3943680**	-
12.04	**Deferred Tax (income)/expense for the year**	**(15,535,735)**	**13,064,935**
13.00	**Long Term Loan: Tk. 5,970,529**		
	The above balances are made up as follows:		
	Term Loan, Dhaka Bank Ltd.	13,407,577	19,430,205
	Less: Term Loan, Dhaka Bank-Current Portion	7,437,048	7,437,048
	Total	**5,970,529**	**11,993,157**
13.01	**Non Current Lease liablity: Tk. 7,223,542**		
	The above balances are made up as follows:		
	Lease liability	16,242,821	-
	Less: Lease liablity, -Current Portion	9,019,279	-
	Total	**7,223,542**	-
14.00	**Short Term Bank Loans and Others: Tk. 180,546,337**		
	The above balances are made up as follows:		
	Dhaka Bank Ltd., OD-264	107,343,081	81,018,738
	Dhaka Bank Ltd., Time Loan,	34,932,889	29,983,348
	Dhaka Bank Ltd., LTR	-	1,890,848
	Dhaka Bank Ltd., STL	5,234,039	12,527,667
	Term Loan, Dhaka Bank-Current Portion	7,437,048	7,437,048
	Lease liablity, -Current Portion	9,019,279	-
	Temporary Loan from Ex. Managing Director	16,580,000	16,580,000
	Total	**180,546,337**	**149,437,649**

Overdraft with Dhaka Bank Ltd. is secured by hypothecation of inventories and faces interest at 9% per annum.

The Company has an Overdraft limit of Tk.10.00 crores with Dhaka Bank Limited against which credit facilities balance on 30 June 2023 was Tk. 10,18,58,081, there is reconciliation between book & statement

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Notes	Particulars		Amount in Taka	
			30 Jun 2023	30 Jun 2022
15.00	**Trade and Other Payables: Tk. 189,870,258**			
	The above balances are made up as follows:			
	Trade Creditors	15.01	131,390,680	108,836,166
	Dividend Payable		2,680,035	2,252,624
	Payable for VAT audit claim		6,587,450	-
	TDS, VDS Payable		5,825,080	-
	Tax liability (2016 to 2019)		19,833,688	-
	Advance against sales		287,264	-
	Rental Security Deposit		300,000	-
	Security Deposit against Sale and Others		22,966,061	16,141,808
	Total		**189,870,258**	**127,230,598**

Note: Unpaid or Unclaim cash dividend for the year 2018-2019, 2019-2020 & 2022-23 was Taka 1,326,551 Taka 1,053,953 and Taka 299,531 respectvely. The total amount was Taka 2,680,035 as of 30 June 2023. It is to be mentioned here that subsequenlty on 30th August 2023 the unclaimed or undistributed Cash dividend for the year 2018-2019 amounting Taka 1,129,284 after tax has been transfered to Capital Market Stabilization Fund (CMSF).

15.01	**Trade Creditors: Tk. 131,390,680**			
	Opening Balance		108,836,166	31,670,356
	Add: Prior period adjustment		-	97,206,749
	Adjusted opening Balance		**108,836,166**	**128,877,105**
	Add: Addition during the year		764,637,568	710,110,876
	Less: Adjustmet/Paid		742,083,054	730,151,815
		Total	**131,390,680**	**108,836,166**

15.00(a)	**Consolidated Trade and Other Payables: Tk. 196,820,226**		
	The above balances are made up as follows:		
	Fu-Wang Foods Ltd.		
	Trade Creditors	131,390,680	108,836,166
	Dividend Payable	2,680,035	2,252,624
	Security Deposit against Sale and Others	22,966,061	16,141,808
	TDS, VDS Payable	5,825,080	-
	Tax liability (2016 to 2019)	19,833,688	-
	Advance against sales	287,264	-
	Payable for VAT audit claim	6,587,450	-
	Rental Security Deposit	300,000	-
	Sub Total	**189,870,258**	**127,230,598**
	Fu-Wang Beverage Industry Ltd.		
	Liability for Security Deposit	1,035,500	1,035,500
	Sundry Creditors (Holdings Company)	153,388,552	164,841,354
	Sundry Creditors (Others)	5,914,468	2,824,393
	Sub Total	**160,338,520**	**168,701,247**
	Grand Total	**350,208,778**	**295,931,845**
	Less: Adjust with Subsidiary Company	153,388,552	164,841,354
	Total	**196,820,226**	**131,090,491**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
16.00	**Payable for (WPPF) and Welfare Fund: Tk. 21,888,533**		
	The above balances are made up as follows:		
	Opening Balance	19,719,399	17,765,225
	Add : Addition during the year	-	-
	Add: Interest (11%)	2,169,134	1,954,175
		21,888,533	**19,719,399**
	Less: Payment during the year	-	-
	Balance as at 30 June	**21,888,533**	**19,719,399**
17.00	**Liabilities for Expenses: Tk. 125,651,981**		
	The above balances are made up as follows:		
	Salary & Allowances (H/O)	3,246,166	3,543,405
	Salary & Allowances (Fac.)	9,645,989	9,385,832
	Director's Remuneration	7,800,00	780,000
	Audit Fees	425,000	391,000
	Car Allowance Payable	105,000	-
	VAT Payable	1,740,182	1,836,308
	Power and fuel	15,027,532	4,650,704
	Gratuity Provision (Note: 17.01)	44,834,701	44,720,453
	Provident Fund Provision (Note:17.02)	49,847,411	48,745,875
	Total	**125,651,981**	**114,053,577**
17.01	**Gratuity Provision**		
	Opening Balance	44,720,453	-
	Add: Prior period Adjustment	-	38,343,089
	Adjusted Opening Balance	**44,720,453**	**38,343,089**
	Add: Addition during the year	7,829,697	6,377,364
	Total	**52,550,150**	**44,720,453**
	Less: Payment/Adjustment during the year	7,715,449	-
	Total	**44,834,701**	**44,720,453**
17.02	**Provident Fund Provision**		
	Opening Balance	48,745,875	-
	Add: Prior period Adjustment	-	47,864,786
	Adjusted Opening Balance	**48,745,875**	**47,864,786**
	Add: Addition during the year	10,131,005	881,089
	Total	**58,876,880**	**48,745,875**
	Less: Payment/Adjustment during the year	9,029,469	-
	Total	**49,847,411**	**48,745,875**
17.00(a)	**Consolidated Liabilities for Expenses: Tk. 125,651,981**		
	The above balances are made up as follows:		
	Fu-Wang Foods Ltd.		
	Salary & Allowances (H/O)	3,246,166	3,543,405
	Salary & Allowances (Fac.)	9,645,989	9,385,832
	Director's Remuneration	780,000	780,000
	Audit Fees	425,000	391,000
	Power & Fuel	15,027,532	4,650,704
	Car Allowance Payable	105,000	-
	VAT Payable	1,740,182	1,836,308
	Gratuity Provision	44,834,701	44,720,453
	Provident Fund Provision	49,847,411	48,745,875
	Sub Total	**125,651,981**	**114,053,577**

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Notes	Particulars		Amount in Taka	
			30 Jun 2023	30 Jun 2022
	Fu-Wang Beverage Industry Ltd.			
	Accrued Expenses		1,389,509	826,768
	Audit Fee Payable		75,000	69,000
		Sub Total	**1,464,509**	**895,768**
		Grand Total	**127,116,490**	**114,949,345**
	18.00 Provision for Income Tax: Tk. 309,304,404			
	The above balances are made up as follows:			
	Opening Balance		316,133,161	314341940
	Add: Addition during the year		7,314,300	6605623
			323,447,461	**320947563**
	Less: Adjustment made during the year		5,842,462	4814402
	Balance as at 30 June		**317,604,999**	**316,133,161**
	18.00(a) Consolidated Provision for Income Tax: Tk. 345,713,255			
	The above balances are made up as follows:			
	Opening Balance		344,263,788	342,429,393
	Add : Addition during the year (Fu-Wang Foods Ltd.)		7,314,300	6,605,623
	Add : Addition during the year (Fu-Wang Beverage Ind. Ltd.)		220,803	243,174
			351,798,891	**349,278,190**
	Less: Adjustment/Payment made during the year		6,085,636	5,014,402
	Balance as at June 30		**345,713,255**	**344,263,788**
	19.00 Turnover (net of VAT etc.): Tk. 1,151,550,072			
	Local Sales		1171889730	1,124,560,022
	Less : VAT, SD etc.		20339657	23,622,845
	Total Turnover		**1,151,550,072**	**1,100,937,177**
	Details are shown in Annexure-C			
	19.00 (a) Consolidated Turnover (net of VAT etc.): Tk. 1,188,350,639			
	The above balances are made up as follows:			
	Fu-Wang Foods Limited		1,151,550,072	1,100,937,177
	Fu-Wang Beverage Industry Limited		36,800,567	40,528,990
		Total	**1,188,350,640**	**1,141,466,167**
	20.00 Cost of Goods Sold: Tk. 967,864,910			
	The above balances are made up as follows:			
	Raw Materials Consumed	20.01	**596,208,231**	**540,243,774**
	Packing Materials Consumed	20.02	165,226,992	164,737,024
	Prime Cost		**761,435,223**	**704,980,798**
	Factory Overhead	20.03	198,475,105	350,466,985
	Total Manufactured Cost		**959,910,328**	**1,055,447,783**
	Opening Finished Goods		14,604,759	15,804,844
	Cost of Goods Available for Sales		**974,515,087**	**1,071,252,627**
	Closing Finished Goods		6,650,177	14,604,759
	Cost of Goods Sold		**967,864,910**	**1,056,647,868**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
20.01	**Raw Materials Consumed: Tk. 596,208,231**		
	The above balances are made up as follows:		
	Opening Balance as reported	12,043,423	208,730,227
	Less: Prior Period Adjustment	-	187,002,896
	Adjusted Opening Balance	**12,043,423**	**21,727,331**
	Add: Raw Materials Purchased During the Year	598,048,868	530,559,866
	Raw Materials Available for Use	**610,092,291**	**552,287,197**
	Less : Balance as at 30 June	13,884,060	12,043,423
	Raw Materials Consumed	**596,208,231**	**540,243,774**
20.02	**Packing Materials: Tk. 165,226,992**		
	The above balances are made up as follows:		
	Opening Balance as reported	20,971,960	58,543,310
	Less: Prior Period Adjustment	-	52,385,336
	Adjusted Opening Balance	**20,971,960**	**6,157,974**
	Add: Purchase during the year	165,874,317	179,551,010
	Packing Materials Available for Use	**186,846,277**	**185,708,984**
	Less: Balance as at 30 June	21,619,285	20,971,960
	Packaging Materials Consumed	**165,226,992**	**164,737,024**
20.03	**Factory Overheads: Tk. 198,475,105**		
	The above balances are made up as follows:		
	Salary & Wages	78,620,828	77,166,988
	Factory Maintenance	19,078,343	9,009,388
	Festival Bonus to Factory Staff	7,047,900	9,944,043
	Company's Contribution to PF	2,642,249	6,837,497
	Gratuity	4,250,335	3,826,418
	Medical Allowance	108,157	48,548
	Power, Fuel & Rent	57,770,075	48,917,809
	Spare Parts	1,282,072	511,355
	Security Servcies charge	2,326,543	-
	Uniform expenses	-	149,000
	Conveyance Allowance	346,645	337,647
	Fuel for Transport	417,691	399,333
	Carriage Inward	1,114,026	865,699
	Fooding Allowance	109,618	104,800
	Insurance Premium	475,009	627,003
	Impairment of PPE assets (72%)	-	175,432,470
	Depreciation	22,885,614	16,288,986
	Total	**198,475,105**	**350,466,985**
20.00(a)	**Consolidated Cost of Goods Sold: Tk. 1,006,492,342**		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	967864910	1,056,647,868
	Fu-Wang Beverage Industry Limited	38627432	40,011,649
	Total	**1,006,492,342**	**1,096,659,517**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
21.00	**Administrative Expenses: Tk. 99,659,338**		
	The above balances are made up as follows:		
	Director Remuneration	9,427,119	5,303,571
	Salary & Allowances	39,627,359	40,986,965
	Festival Bonus	2,595,906	3,463,153
	Company's Contribution to PF	823,466	1,314,311
	Gratuity	1,540,008	1,275,473
	Car Allowance	1,130,000	-
	Conveyance Allowance	1,005,575	253,857
	Security Servcies charge	554,400	-
	Oil & lubricants for generator	133,670	-
	Printing & Stationary	1,360,766	612,532
	Repairing & Maintenance (Car)	1,299,919	1,592,080
	Fuel for Car	1,757,835	1,637,693
	Office Maintenance	3,099,190	1,102,452
	Office Rent	-	6,420,946
	Office rent VAT & others charge	1,245,002	-
	Postage & Telegram	15,630	4,080
	Rent, Rates & Taxes	330,154	1,911,073
	Fooding Allowance	1,472,009	772,467
	Electricity, WASA & Gas	1,389,453	1,415,449
	Foreign Tour/ Travelling Allowance	3,474,367	879,564
	Telephone Allowance	1,391,478	1,739,208
	Loss on sale of Fixed Assets	232,000	-
	Audit Fee	2,042,188	391,000
	Labor Charge	228,209	221,538
	Registration & Renewals	5,665,388	3,437,687
	Donation & Subscription	59,625	120,000
	AGM Expenses	98,550	102,554
	Softaware & Development Expense	282,420	50,000
	Fees & Professional Expenses	477,626	671,172
	Credit Rating Services	64,500	-
	Consultancy fee	509,500	688,045
	Depreciation	8,899,961	6,334,606
	Internet Expenses	884,897	907,768
	Insurance premium	538,927	166,171
	Books and periodicals	37,917	2,100
	Bad Bebts	5,580,324	-
	Impairment of PPE assets (28%)	-	68,223,739
	Board meeting attendance fees	384,000	1,126,000
	Total	**99,659,338**	**153,127,254**

21.00(a)	**Consolidated Administrative Expenses: Tk. 103,185,993**		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	99,659,338	153,127,254
	Fu-Wang Beverage Industry Limited	3,526,655	2,035,164
	Total	**103,185,993**	**155,162,418**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
22.00	**Selling and Distribution Expenses: Tk. 130,442,712**		
	The above balances are made up as follows:		
	Salary & Allowances	34,548,769	22,062,969
	Company's Contribution to PF	1,448,370	982,363
	Festival Bonus	3,634,627	3,463,153
	Gratuity	2,039,353	1,275,473
	Travelling & Conveyance (TA,DA, Conveyance-Br)	7,887,454	9,096,779
	Fooding Allowance	573,173	-
	Maintenance-Branch	541,781	-
	Fuel for Transport (Delivery VAN)	16,723,851	5,937,607
	Advertisements	1,461,433	994,371
	Carriage Outward	30,798,983	34,965,980
	Incentives on Sale	5,147,599	7,159,614
	Distribution of free sample	22,251	-
	Damage on sale	1,768,175	-
	Commission on sale	16,839,385	9,781,572
	Business Promotion & Development Expenses	7,007,509	1,399,594
	Total	**130,442,712**	**97,121,475**
22.00(a)	**Consolidated Selling and Distribution Expenses: Tk. 133,804,035**		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	130,442,712	97,121,475
	Fu-Wang Beverage Industry Limited	3,361,323	5,702,915
	Total	**133,804,035**	**102,824,390**
23.00	**Financial Expenses: Tk. 18,067,594**		
	The above balances are made up as follows:		
	Bank Interest	13,465,497	14,661,787
	Interest on Lease	1,344,871	-
	Bank Charges and Commission	1,088,092	1,041,375
	Interest for WPPF	2,169,134	1,954,175
	Total	**18,067,594**	**17,657,337**
24.00	**Current Tax: Tk. 7,314,300**		
	The above balances are made up as follows:		
	Profit before tax as per accounts	(62,684,482)	(223,616,757)
	Add: Depreciation as per accounts	26,953,174	22,623,592
		(35,731,308)	**(200,993,165)**
	Less: Depreciation as per 3rd Schedule	30,906,928	30,906,931
	Total	**(66,638,236)**	**(231,900,096)**
	Income Tax as per applicable rate	22.5%	22.5%
	As per Profit	(14,993,603)	(52,177,522)
	Minimum Tax:	-	-
	Revenue	1,151,550,072	1,100,937,177
	Income Tax @ 0.6%	**6,909,300**	**6,605,623**
	Add: Tax on other income (18,00,000@22.5%)	405,000	-
	Total	**7,314,300**	**6,605,623**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
24.00(a) Consolidated Current Tax: Tk. 7,535,103			
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	7,314,300	6,605,623
	Fu-Wang Beverage Industry Limited	220,803	243,174
	Total	**7,535,103**	**6,848,797**
25.00 Profit Attributable to:			
	The above balances are made up as follows:		
	Net Profit after Tax of Fu-Wang Foods Limited	(54,463,048)	(243,287,316)
	Less: Net Loss after Tax of Fu-Wang Beverage Ind. Ltd (98%)	(7,896,878)	1,924,689
	Total	**(46,566,169)**	**(245,212,005)**
26.00 Net Asset Value Per Share (NAV) with Revaluation			
	The above balances are made up as follows:		
	Net Asset Value	310,398,036	383,585,497
	Number of ordinary share	110,839,284	110,839,284
	Net asset value per share	**2.80**	**3.46**
26.00(a) Net Asset Value Per Share (NAV) (Consolidated)			
	The above balances are made up as follows:		
	Share holder's Equity	269,633,235	352,019,013
	Number of ordinary share	110,839,284	110,839,284
	Net asset value per share	**2.43**	**3.18**

During the year both holding & subsidiary company is suffered by loss for which consolidated NAV per share has decreased in comparison to previous year.

27.00 Earnings per Share (EPS)			
	The above balances are made up as follows:		
	Earnings Attributable to the Ordinary Shareholders	(54,463,048)	(243,287,316)
	Weighted Average Number of Ordinary Shares Outstanding During the Year	110,839,284	110,839,284
	Earnings Per Share (EPS)- Basic	**(0.49)**	**(2.19)**
	Earnings Per Share (EPS)		
	Earnings Attributable to the Ordinary Shareholders	(54,463,048)	(243,287,316)
	Number of ordinary share	110,839,284	110,839,284
	Earnings Per Share (EPS)	**(0.49)**	**(2.19)**

Company experienced an increase in the price of raw material, packing material, Gas price and also administrative expenses and Selling expenses for which significantly loss incured during the year. As a result earnings per share has also decreased. But increased in current year comparison to previous year due to no impact of impairment of fixed assets

27.00 (a) Earnings per Share (EPS) Consolidated			
	The above balances are made up as follows:		
	Earnings Attributable to the Ordinary Shareholders	(63219981)	(250676589)
	Weighted Average Number of Ordinary Shares Outstanding During the Year	110839284	110839284
	Earnings Per Share (EPS)- Basic	**(0.57)**	**(2.26)**
	Earnings Per Share (EPS)- Adjusted		
	Earnings Attributable to the Ordinary Shareholders	(63219981)	(250676589)
	Number of ordinary share	110839284	110839284
		(0.57)	**(2.26)**

Company experienced an increase in the price of raw material, packing material, Gas price and also administrative expenses and Selling expenses for which significantly loss incured during the year. As a result earnings per share has also decreased. But increased in current year comparison to previous year due to no impact of impairment of fixed assets.

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022

28.00 Net operating cash flow per share (NOCFPS)

The above balances are made up as follows:

Net cash generated from operating activities	7,294,646	33,672,260
Number of ordinary share	110,839,284	110,839,284
Net Operating Cash Flow Per Share	**0.07**	**0.30**

Cash payment against purchase, administration & selling and distribution expenses increased during the year for which operating cash flows decreased in comparison with previous year.

28.00(a) Net operating cash flow per share (NOCFPS) (Consolidated)

The above balances are made up as follows:

Net cash generated from operating activities	18,013,578	49,951,497
Number of ordinary share	110,839,284	110,839,284
Net Operating Cash Flow Per Share	**0.16**	**0.45**

29.00 Related Party Disclosure:

The details of related party transaction during the year along with the relationship is illustrated below in accordance with IAS 24:

Name of the related party	Nature of transaction	Relation ship	Opening balance	Transaction during the year		Closing balance
				Debit	Credit	
Fu-Wang Beverage Industry Limited	Expenditure Purpose	Subsidiary Company	164,841,354	47,193,420	58,646,222	153,388,552
Emerald Oil Industries Ltd.	Advance	Related party	-	2,000,000	-	2,000,000

Disclosure of Directors Remuneration under para 4 schedule XI Part II of the companies Act 1994:

Mr. Miya Mamun, is acting as managing director in the company and is taking remuneration. However, car facility was taken by him from the company for rendering his service. Details of remuneration paid to managing director during the year from July 01, 2022 to June 30, 2023 is as follows:

Name	Designation	No. of Meeting	Meeting Attending Fees	Total Meeting Fees	Directors Remuneration	Total (Taka)
Miya Mamun	Managing Director	8	8,000	64,000	7,200,000	7,264,000
Md. Sidratul Mahabub Hasan	Director	8	8,000	64,000	2,227,119	2,291,119
Md. Afzal Hossain	Chairman	10	8,000	80,000	-	80,000
Professor Md Abul Kashem (MIS Dept, DU)	Independent Director	9	8,000	72,000	-	72,000
Ms. Ishter Mahal (AIS Dept, DU)	Independent Director	7	8,000	56,000	-	56,000
Md. Maksudur Rahman	Independent Director	6	8,000	48,000		
Total				**384,000**	**9,427,119**	**9,763,119**

(a) During the year total 10 Board Meetings were held, total meeting fee was Tk. 3,84,000 including VAT & Tax. Along audit committee meeting.

(b) During the Financial Year Miya Mamun, Managing Director of the Company received Remuneration amounting taka 72,00,000

(C) During the Financial Year Md. Sidratul Mahabub Hasan, Director of the Company received Remuneration amounting taka 2,227,119.

(D) No compensation was made to the Managing Director & CEO of the company except as stated above.

(E) No amount was spent by the company for compensating any member of the Board of Directors except as stated above.

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
30.00	**Reconciliation of cash flows from operating activities under indirect method**		
	Net profit during the year	(54,463,048)	(243,287,316)
	Add: Impairment of Fixed Assets	-	243,656,209
	Prior period adjustment	(37,219,013)	-
	Loss on sales of Fixed Assets	232,000	-
	Add: Depreciation	31,785,575	22,623,592
	Change in current assets and liabilities		
	(Increase) in advance deposit and prepayments	(13,957,852)	(9,013,978)
	(Increase) in Trade and other receivables	14,924,687	18,057,221
	(Increase) in Inventories	5,466,620	(3,929,993)
	Increase in Trade and other Payables	62,212,249	(18,256,693)
	Increase in Liabilities for expense	11,598,404	8,776,048
	Increase in provision of income tax	1,471,838	1,791,221
	Increase In Advance income tax	(1,390,214)	(1,763,161)
	Deferred Tax	(15,535,735)	13,064,936
	Workers' profit participation fund (WPPF)	2,169,133	1,954,174
	Total	**7,294,646**	**33,672,260**

30.00(a) Reconciliation of cash flows from operating activities under indirect method (Consolidate)

Net profit during the year	(62,521,087)	(250,751,228)
Prior period adjustment	(37,581,680)	(741,359)
Loss on sales of Fixed Assets	232,000	-
Impairment of fixed assets	-	243,656,209
Depreciation	34,057,492	25,289,420
Change in current assets and liabilities		
(Increase) in advance deposit and prepayments	(13,957,852)	(9,013,978)
(Increase) in Trade and other receivables	24,345,557	20,027,975
(Increase) in Inventories	9,277,027	13,846,574
Increase in Trade and other Payables	62,212,249	(15,944,800)
Increase in Liabilities for expense	15,257,219	8,692,339
Increase in provision of income tax	1,449,467	1,834,395
Decrease In Advance income tax	(1,390,214)	(1,963,161)
Deferred Tax	(15,535,735)	13,064,936
Workers' Profit Participation Fund (WPPF)	2,169,133	1,954,174
Total	**18,013,578**	**49,951,496**

31.00 Salary Range: Salary Range of the Employees are given below:

Sl. No.	Salary Range	No. of Person	
		2022-2023	2021-2022
1	5000-15000	794	550
2	15000-25000	155	120
3	25000-50000	27	45
4	50000-200000	12	13
5	200000 -above	4	2
Total No. of Person		**992**	**730**

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32.00 Tax Assessment Status & contingent liability for Tax:

Accounting Year	Assessment Year	Provision for Income Tax	Tax Liabilities as per Assessment Order with penalty	Advance Income Tax Paid	Tax Paid	Total Tax as per the Company	Contingent Liability for tax	Assessment Status with remarks
2002-2003	2003-2004	10,403,665	14,830,766	2,617,734	9,185,931	11,803,665	3,027,101	Stay No-248 High court C.R-t/d
2003-2004	2004-2005	11,178,107	14,145,576	5,018,121	9,127,455	14,145,576	-	Settled
2004-2005	2005-2006	11,303,774	14,539,767	5,533,963	9,005,804	14,539,767	-	Settled
2005-2006	2006-2007	11,802,224	15,991,182	12,286,491	3,704,691	15,991,182	-	Settled
2006-2007	2007-2008	8,632,226	17,873,196	-	15,809,222	15,809,222	2,063,974	High court ITRA No.195/2018 (certified copy attested)
2007-2008	2008-2009	9,408,956	31,930,291	8,517,596	2,303,301	10,820,897	21,109,394	Stay No-249 High court C.R-t/d
2008-2009	2009-2010	8,186,812	20,254,063	5,093,982	6,136,080	11,230,062	9,024,001	Stay No-250 High court C.R-t/d
2009-2010	2010-2011	10,178,651	25,305,422	-	13,065,926	13,065,926	12,239,496	Stay No-265 High court C.R-t/d
2010-2011	2011-2012	25,942,992	41,206,495	7,500,000	22,767,692	30,267,692	10,938,803	High court ITRA No. 466/216
2011-2012	2012-2013	28,518,008	44,112,659	24,724,892	3,419,108	28,144,000	15,968,659	High court ITRA No.447/2017 (10% deposit Tk. 21,44,000)
2012-2013	2013-2014	23,252,149	45,447,006	-	16,260,695	16,260,695	29,186,311	High court ITRA No. 172/2018 (10% deposit Tk. 17,60,695)
2013-2014	2014-2015	23,489,860	27,966,623	24,500,000	3,466,623	27,966,623	-	Settled by Deposit
2014-2015	2015-2016	34,910,997	39,842,348	15,235,397	27,405,570	42,640,967	-	Settled by Deposit
2015-2016	2016-2017	24,262,246	38,741,028	32,462,246	-	32,462,246	-	Adjusted with retained earnings through prior period adjument in FY 22-23
2016-2017	2017-2018	15,369,468	22,310,462	22,659,933	-	22,659,933	-	Do
2017-2018	2018-2019	17,290,110	20,779,990	17,290,110	-	17,290,110	-	Do
2018-2019	2019-2020	26,366,256	33,458,729	26,636,904	-	26,636,904	-	Do
2019-2020	2020-2021	8,807,903	26,001,950	6,800,000	2,054,857	8,854,857	17,147,093	Appeal under process in Tribunal
2020-2021	2021-2022	5,037,537	16,351,616	1,656,010	3,400,000	5,056,010	11,295,606	Appeal under process in commissioner
2021-2022	2022-2023	6,605,623	-	1,763,161	4,842,462	6,605,623	-	Tax Return submitted & Assessment under process
2022-2023	2023-2024	7,314,300	-	1,390,214	-	1,390,214	-	Return will be submitted
Total Taka		**320,947,563**	**511,089,169**	**220,2965,40**	**151,955,417**	**365,646,334**	**132,000,438**	

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33.00 Financial Risk Management (IFRS 7)

33.01 Introduction

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by accounts and finance department under policies approved by the Board of Directors. Company finance identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units. The 'Finance Policy' provides principles for specific areas, such as credit risk, interest rate risk, foreign currency risk, use of derivative financial instruments, and investment of excess liquidity.

This note presents information about the Company's exposure to each of the risks arising from financial instruments and the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

33.02 Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the end of June 30, 2023:

Maturity analysis

Particulars	Current	>30 days	>90 days	>1 year	Total
Financial Assets					
Cash and Cash Equivalents	3,458,208	-	-	-	3,458,208
Trade and Other Receivables	12,414,398	3,023,992	1,685,226	45,123,852	62,247,468
Advances, Deposits and Prepayments	3,895,264	-	353,131,209	222,601,813	579,628,285
Balance at June 30, 2023	**19,767,869**	**3,023,992**	**354,816,435**	**267,725,665**	**645,333,961**

Financial liabilities measured at amortized cost:					
Long Term Loan	-	-	-	5,970,529	5,970,529
Short Term Bank Loans and Others	107,343,081	16,456,327	56,746,928	-	180,546,337
Trade and Other Payables	157,636,712	6,587,450	25,646,096	-	189,870,258
Liabilities for Expenses	15,942,337	15,027,532	-	94,682,112	125,651,981
Balance at June 30, 2023	**280,922,130**	**38,071,309**	**82,393,024**	**100,652,640**	**502,039,104**

33.03 Credit risks:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with Trade Receivables (see note 06) is limited, as the Company has numerous dealer located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each dealer. Credit limits are established for each dealer, whereby the credit limit represents the maximum open amount without requiring payments in advance these limits are reviewed regularly (credit check).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position. There are no commitments that could increase this exposure to more than the carrying amounts.

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33.04 Market risks

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other prices will affect the Company's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

33.05 Interest rate risk

At the reporting date, the Company had the following interest-bearing financial instruments: cash and cash equivalents, and bank liabilities. All cash and cash equivalents mature or reprise in the short-term, no longer than three months.

Borrowings mainly bear interest at fixed rates. Cash and cash equivalents and borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

The Company Finance manages the interest rate risk to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Company Finance focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently, the interest rate exposure is not hedged.

33.06 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company Finance manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation.

Excess liquidity can be invested in instruments such as time deposits, government, and corporate bonds, shares of publicly listed companies, and capital protected instruments.

The following are the contractual maturities of financial liabilities, including interest payments:

Particulars	Carrying amount	Between 1 and 90 days	Between 91 and 360 days	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities					
Long Term Loan	5,970,529	-	-	5,970,529	-
Short Term Bank Loans and Others	180,546,337	147,510,009	33,036,327	-	-
Trade and Other Payables	189,870,258	164,224,162	25,646,096	-	-
Liabilities for Expenses	125,651,981	30,969,869	-	94,682,112	
Balance at June 30, 2023	**502,039,104**	**342,704,040**	**58,682,423**	**100,652,640**	**-**

34.00 Plant Installed Capacity and Capacity Utilization

Particulars	Unit	Capacity of Production	Actual Production	Capacity Utilization %
Foods & Beverage Items(2022-23)	MT	11,118	6,290	57%
Foods & Beverage Items(2021-22)	MT	11,118	8,008	72%

35.00 Capital Expenditure Commitment

There was no capital expenditure commitment as on June 30, 2023

36.00 There was no bank guarantee issued by the company on behalf of their directors or the company itself except bank loan.

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37.00 Disclosure as per requirement of schedule XI, Part II of the Companies Act, 1994 and DSE's requirement under Annexure 10 of Schedule A-Para 18 of The Dhaka Stock Exchange (Listing) Regulation, 2015.

Compliances are shown in **Annexure-D** herewith this report.

38.00 Contingent Liability-For VAT:

There was a demand of Tk. 10,473,921 by the Custom & VAT Authority for payment of VAT in excess of the amount paid by the company during he financial year 1998-1999 and 1999-2000. The demand was made by the Deputy Commissioner, Customs Excise & VAT, Gazipur Division through his Memo No.-4/mushak/74/food/97/1400 dated 25/04/2001. The company preferred appeal on 08/12/2001 against demand.

The Appellate Authority reduced the demand to Tk. 7,838,832. The company, on 19-04-2003 filed second appeal before the Learned Appellate Tribunal. The Learned Appellate Tribunal confirmed the demand through order dated 23/12/2004. The company the eager filed a Writ Petition 2058 of 2005 before the High Court Division of Hon'ble Supreme Court of Bangladesh. The Hon'ble High Court through its order dated 03/04/2005 stayed the operation of the Tribunal Order till disposal of the writ. This liability of Tk. 7,838,832 is thus contingent upon disposal of the Writ petition and further appeals, if any at all arises. Therefore, Tk. 7,838,832 is the contingent liability pertaining to the period up to June 30, 2023.

38.01 Contingent Liability-For TAX:

Refer to the notes No.32, detailed chart for contingnt liablity for tax as on 30th June 2023 of Tk.13,20,00438 from inception of the company. All these are in High Court Division of Hon'ble Supreme Court of Bangladesh & Learned Appellate Tribunal & commissioner (Appeal).

39.00 Event after the Balance Sheet Date:

39.01 The Board of Directors in its meeting held on October 28, 2023 has approved the Financial Statements for the year ended 30 June 2023 and recommended no dividend for the all shareholders due to the company suffered loss which is subject to approval by the shareholders at the forthcoming Annual General Meeting (AGM) and authorize the financial statements for issue.

39.02 Except the fact stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to or disclosure in the financial statements or notes thereto.

Chief Financial Officer	Company Secretary	Managing Director	Chairman

Place: Dhaka, Bangladesh

Dated: 28 October 2023

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FU-WANG FOODS LIMITED

Schedule for Property Plant and Equipment
For the year ended 30 June 2023

Annexure - A

Particulars	Cost					Rate	Depreciation				Written down value as at 30-June-2023	Written down value as at 30-June-2022
	Balance as at 01-Jul-2022	(Impairment)/ Revaluation	Addition during the year	Disposal/ Adjustment	Balance as at 30-June-2023		Balance as at 01-Jul-2022	Addition during the year	Disposal Adjustment	Balance as at 30-June-2023		
Land & Land Development	52,620,123	-	-	-	52,620,123	-	-	-	-	-	52,620,123	52,620,123
Factory Building	157,978,069	-	280,000	-	158,258,069	2.5%	31,916,484	3,158,540	-	35,075,024	123,183,045	126,061,585
Plant and Machinery	259,070,983	-	3,366,999	-	262,466,982	5%	202,037,947	3,021,452	-	205,059,399	57,407,583	57,033,036
Gas Line	28,574,502	-	-	-	28,574,502	10%	17,684,057	1,089,045	-	18,773,101	9,801,401	10,890,446
Head office Buildings	57,032,411	-	22,471,510	-	79,503,921	5%	24,921,642	2,729,114	-	27,650,756	51,853,165	32,110,769
Furniture and Fixture	7,633,809	-	42,850	-	7,676,659	10%	3,965,067	371,159	-	4,336,226	3,340,433	3,668,742
Motor Vehicles	62,562,603	-	-	-	62,562,603	10%	32,483,322	3,009,928	-	35,473,250	27,089,353	30,099,281
Electrical Equipment	59,165,178	-	4,974,243	-	64,139,421	10%	36,851,757	2,728,766	-	39,580,523	24,558,898	22,313,421
Telephone & PABX installation	2,005,660	-	-	-	2,005,660	10%	1,145,127	86,053	-	1,231,180	774,480	860,533
Office Equipment	4,966,385	-	3,048,337	-	8,014,722	20%	2,782,583	1,050,432	-	3,812,994	4,201,728	2,203,822
Cookeries & Cutleries	126,766	-	18,600	-	145,366	20%	107,228	7,628	-	114,856	30,510	19,538
Bicycle & Rickshaw Van	413,485	-	1,024,815	347,778	1,090,522	20%	212,597	245,141	34,778	422,960	667,562	200,888
Deep Tube-well & Pump	1,141,315	-	55,000		1,196,315	10%	931,816	26,450		958,266	238,049	209,499
Generator	23,990,964	-	2,989,950		26,980,914	10%	11,272,189	1,570,873		12,843,061	14,137,853	12,718,775
Sub Total	**717,282,253**	**-**	**38,301,304**	**347,778**	**755,235,779**		**366,271,794**	**19,094,579**	**34,778**	**385,331,596**	**369,904,183**	**351,010,459**
Intangible Assets												
ERP Software (HR & Accounting)	574,035	-	914,500	1,488,535	-	10%	57,404	-	57,404	-	-	516,632
Sub Total	**574,035**	**-**	**914,500**	**1,488,535**	**-**		**57,404**	**-**	**57,404**	**-**	**-**	**516,632**
Revaluation												
Land & Land Development	13,107,877	-	-		13,107,877	0%	-	-		-	13,107,877	13,107,877
Buildings & Other Constructions	126,326,740	-	-		126,326,740	5%	47,573,221	3,937,676	-	51,510,897	74,815,843	78,753,519
Factory Building Construction	36,706,653	-	-		36,706,653	2.5%	917,666	894,725		1,812,391	34,894,262	35,788,987
Sub Total	**176,141,270**	**-**	**-**	**-**	**176,141,270**		**48,490,887**	**4,832,401**	**-**	**53,323,288**	**122,817,982**	**127,650,383**
Sub Total	**893,997,558**	**-**	**39,215,804**	**1,836,313**	**931,377,049**		**414,820,085**	**23,926,980**	**92,182**	**438,654,884**	**492,722,165**	**479,1774,73**
ROU Assets												
Motor Vehicles	-	-	14,475,360		14,475,360	10%	-	301,207		301,207	14,174,153	-
Lease rental	-	-	14,400,037		14,400,037			7,557,388		7,557,388	6,842,649	-
Sub Total	**-**	**-**	**28,875,397**	**-**	**28,875,397**		**-**	**7,858,595**	**-**	**7,858,595**	**21,016,802**	**-**
Grand Total 2023	**893,997,558**	**-**	**68,091,201**	**1,836,313**	**960,252,446**	**-**	**414,820,085**	**31,785,575**	**92,182**	**446,513,478**	**513,738,967**	**479,177,473**
Grand Total 2022	**1,048,813,996**	**(168,229,939)**	**13,413,501**	**-**	**893,997,558**	**-**	**392,196,493**	**22,623,592**	**-**	**414,820,085**	**479,177,473**	**656,617,502**

Allocation of Depreciation :

Production	933,541
Administration	

Cost	Revaluation	Total
19,406,285	3,479,328	22,885,614
7,546,889	1,353,072	8,899,961
26,953,174	**4,832,401**	**31,785,575**

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FU-WANG FOODS LIMITED

Schedule of Raw Materials

For the year ended 30 June 2023

Annexure-B

Sl No.	Name of the Item	Unit	Opening (Restated)		Purchase		Available for Consumption		Consumed		Closing	
			Qty.	Taka	Qty.	Taka	Qty.	Taka	Qty.	Taka	Qty.	Taka
1	Flour	MT.	26	1,139,935	2,779	133,407,500	2,805	134,547,435	2,774	133,240,095	31	1,307,340
2	Dalda	MT.	9	1,645,195	484	70,242,716	494	71,887,910	485	70,706,420	8	1,181,490
3	Sugar	MT.	12	946,307	899	114,234,736	911	115,181,043	889	112,327,975	22	2,853,068
4	Sala Oil	MT.	14	2,312,990	470	64,851,951	484	67,164,941	471	65,402,608	13	1,762,332
5	Milk Powder	MT.	0	108,835	80	52,157,388	80	52,266,223	80	52,066,899	0	199,324
6	Others	MT.	25	5,881,251	621	147,024,201	646	152,905,452	618	146,328,620	28	6,576,833
7	Eggs	Pcs.	1,080	8,910	1,645,957	16,130,377	1,647,037	16,139,286	1,646,662	16,135,613	375	3,673
Total			**1,166**	**12,043,423**	**1,651,291**	**598,048,868**	**1,652,456**	**610,092,291**	**1,651,979**	**596,208,231**	**477**	**13,884,060**

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FU-WANG FOODS LIMITED

Details of Turnover
For the year ended 30 June 2023

Annexure-C

Vatable items	Gross Sales	VAT & SD	Net Sales FY 2022-2023	Net Sales FY 2021-2022
Dia Salt Biscuit	32,198,548	1,533,264	30,665,284	41,532,319
Eco Dia Salt Biscuit	3,753,350	178,731	3,574,619	2,627,525
Fu-Wang Tube Biscuit	-	-	-	186,265
Fu-Wang Reo Biscuit	-	-	-	674,016
Horlicks Biscuit	18,964,761	903,084	18,061,677	17,816,305
Milk Marie Biscuit	858,862	40,898	817,964	1,304,613
Namkin Biscuit	2,833,781	134,942	2,698,839	1,540,773
New Nutritious Biscuit	15,767,467	750,832	15,016,635	6,874,001
Salted Biscuit	-	-	-	2,397,900
Fu-Wang Twitter Diasalt Biscuit	28,058,636	1,336,126	26,722,510	28,113,380
Choco Toast	-	-	-	2,486
Crunchy Ghee Toast	1,900,832	90,516	1,810,316	7,803,796
Signature Cream Roll	-	-	-	8,545,012
Signature Orange Biscuit	1,910	91	1,819	242,776
Signature Salted Biscuit	784,178	37,342	746,836	65,960
Fu-Wang Toast	6,873,892	327,328	6,546,564	12,237,800
Misty Toast	615,337	29,302	586,035	2,207,119
Miu Miu Toast	-	-	-	-
Non Stop Crispy Toast	-	-	-	56,740
Sandwich Toast	-	-	-	-
Spicy Toast	4,350,324	207,158	4,143,166	8,321,042
Sweet Toast	81,499	3,881	77,618	128,471
American Cheese Cake	9,350,749	445,274	8,905,475	7,744,192
Any Time Slice Cake 80 gm	56,238,036	2,678,002	53,560,034	63,333,552
Any Time Slice Cake 38 gm	2,599,524	123,787	2,475,737	446,833
Apple Pie	-	-	-	2,380
Chocolate Cake-90 gm	1,609,510	76,643	1,532,867	1,072,676
Chocolate Cake-35 gm	-	-	-	-
Cheese Slice Cake	73,869,400	3,517,590	70,351,809	87,198,552
Jerry Cake	74,790,485	3,561,452	71,229,033	72,615,590
Muffin Cake	9,557,406	455,115	9,102,291	4,108,558
Swiss Cheese Cake	6,151,354	292,922	5,858,432	8,879,648
Vanilla Pie	8,457,581	402,742	8,054,839	14,029,771
Yo Yo Pocket Waffer (S F)	792,026	37,716	754,311	476,542
Yo Yo Pocket Waffer (V F)	931,223	44,344	886,879	830,336
Dry Cake-350 gm	2,410,370	114,780	2,295,590	1,035,085
Dry Cake-40	5,627,292	267,966	5,359,326	7,373,940
ChocoNut	-	-	-	31,749
Choco Pie	21,820,010	1,039,048	20,780,962	13,924,100
Doremon Wafer	3,083,902	146,852	2,937,049	3,984,864
Play Glucose	5,114,154	243,531	4,870,623	4,370,933
Dairy Milk	-	-	-	30,828

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Go Go	-	-	-	22,900
Ko Ko	49,007	2,334	46,673	90,178
Fu-Wang Dairy Milk	-	-	-	76,920
Lascha Shemai	1,379,906	179,988	1,199,918	674,064
Printing Items (poly/pouch)	4,830,451	630,059	4,200,393	5,213,879
Unprinted inner poly	3,498,760	456,360	3,042,400	1,726,052
Jeera Plus	-	-	-	550,254
Boroi Chutney 50 Gm	3,912	186	3,726	298,977
Tetul Chutney 50 Gm	13,041	621	12,420	1,067,371
Volt Carbonated	-	-	-	122,157
Pure Drinking Water -500ML	-	-	-	400,074
First Love Biscuit (45GM) 45 Gm	1,025,904	48,853	977,052	5,544,196
Pure Drinking Water -1500ML	-	-	-	188,430
Sub-Total	**410,247,379**	**20,339,657**	**389,907,721**	**450,163,900**
Non Vatable items				
Butter Bun Bread	64,499,950	-	64,499,950	64,036,317
Custard Bun	110,402,129	-	110,402,129	27,077,743
Daily Bread	-	-	-	9,768,886
Delicious Bread	105,415,835	-	105,415,835	84,308,726
E. Sweet Bread	29,369,248	-	29,369,248	21,967,068
Family Bread	39,653,096	-	39,653,097	19,968,476
Honeymix	34,599,813	-	34,599,813	29,536,728
Medium Bread	48,751,925	-	48,751,925	59,360,345
Mercury Bread	50,019,317	-	50,019,317	121,527,625
Milky Bread-700 Gm	12,206,740	-	12,206,740	8,015,874
Milky Bread-350 Gm	72,984,847	-	72,984,847	75,652,039
Platinum Sandwich Bread	20,442,266	-	20,442,266	23,583,530
Sandwich Bread	-	-	-	501,567
Special Bread	77,822,711	-	77,822,711	75,760,679
Sweet Bread	10,673,316	-	10,673,316	6,701,512
Tiffin Bread	-	-	-	15,994
V Butter Bun	84,801,158	-	84,801,158	22,990,168
Sub-Total	**761,642,351**	**-**	**761,642,351**	**650,773,276**
Grand Total	**1,171,889,730**	**20,339,657**	**1,151,550,072**	**1,100,937,177**

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FU-WANG FOODS LIMITED

Disclosure as per requirement of Schedule XI, Part II of The Companies Act, 1994
For the year ended 30 June 2023

A. Disclosure as per requirement of Schedule XI, Part II, Para-3, Note 4 (i) and (ii)

Employees position of the company as at 30 June, 2023

Annexure-D

Salary (Monthly)	Officer & Staff		Worker	Total Employees
	Factory	Head Office		
Aggregate remuneration for the year Taka. 36,000 and above.	211	41	740	992
Aggregate remuneration for the year below Taka. 36,000.	-	-	-	-
Total	**211**	**41**	**740**	**992**

Disclosure as per requirement of Schedule XI, Part II, Para 3:

Para	Particulars	Compliance status of disclosure of Schedule XI, Part II, Para 3
3(i)(a)	The turnover	Complied -Disclosed in Note No-2.19
3(i)(b)	Commission paid to the selling agent	Complied -Disclosed in Note No-2.19
3(i)(c)	Brokerage and discount on sales, other than the usual trade discount	Not Applicable
3(i)(d)(i)	The value of raw materials consumed, giving item wise break up as possible	Complied -Disclosed in Annexure-B
3(i)(d)(ii)	The opening and closing stocks of goods produced	Complied -Disclosed in Note No-20, 20.1 & 20.02
3(i)(e)	In the case of trading companies, the purchase made and the opening and closing stocks.	Complied -Disclosed in Note No-20.1 & 20.02
3(i)(f)	In the case of companies rendering of supplying services, the gross income derived from services rendered or supplied.	Not Applicable
3(i)(g)	Opening and closing stocks, purchases and sales and consumption of raw materials with value and quantity break-up for the company, which falls under one or more categories i.e.; manufacturing and/or trading.	Not Applicable
3(i)(h)	In the case of other companies, the gross income derived under different heads.	Not Applicable
3(i)(i)	Work-in-progress, which have been completed at the commencement and at the end of the accounting period.	Not Disclosed in FS
3(i)(j)	Provision for depreciation, renewals or diminution in the value of fixed assets.	Complied -Disclosed in Annexure-A
3(i)(k)	Interest on the debenture paid or payable to the managing Directors, Managing Agent or Manager.	Not Applicable

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3(i)(l)	Charge of income tax and other taxation on profits.	Complied -Disclosed in Note No-18
3(i)(m)	Revised for repayment of share capital and repayment of loans	Not Applicable
3(i)(n)(i)	Amount set aside or proposed to be set aside, to reserve, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	Not Applicable
3(i)(n)(ii)	Amount withdrawn from above mentioned reserve.	Not Applicable
3(i)(o)(i)	Amount set aside to provision made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(ii)	Amount withdrawn from above mentioned provisions, as no longer required.	Not Applicable
3(i)(p)	Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workman and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	Complied -Disclosed in Note No-21 & 22

B. Disclosure as per requirement of Schedule XI, Part II, Para 4:

Payment/Perquisites to Directors & Managers

Complied and Disclosed in Note: 28.

C. Disclosure as per requirement of Schedule XI, Part II, Para 7:

Details of Production capacity Utilization

			2022-2023	
Particulars	**License Capacity (In MT)**	**Installed Capacity**	**Annual Production**	**Capacity Utilization**
Annual production capacity in MT	N/A	11,118	6,290	57%

			2021-2022	
Particulars	**License Capacity (In MT)**	**Installed Capacity**	**Annual Production**	**Capacity Utilization**
Annual production capacity in MT	N/A	11,118	8008	72%

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D. Disclosure as per requirement of Schedule XI, Part II, Para 8 (C)

Raw materials, spare parts, packing materials and capital and machinery:

Items	Total Purchase (BDT)	Consumption (BDT)	% of consumption of total
Raw materials	596,048,868	596,208,231	100%
Spare parts	1,282,072	1,282,072	100%
Packing materials	165,874,317	165,226,992	100%
Total	**765,205,257**	**762,717,295**	

Value of export:

Particulars	In foreign currencies (USD)	In BDT	
Export	Nil	Nil	Not applicable as the company has not exported any commodities.
Total	-	-	

(i) The company has not incurred any expenditure in foreign currencies for the period from 01 July 2022 to 30 June 2023, on account of Royalty, know-how, professional fees, consultancy fees and interest;

(ii) The company has not earned any foreign exchanges for Royalty, know-how, professional fees, consultancy fees and interest;

(iii) The company has not remitted any foreign currencies on account of dividend.

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FU-WANG 富王飲料

FU-WANG BEVERAGE INDUSTRY LTD.

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FU-WANG BEVERAGE INDUSTRY LIMITED

Report of the Board of Directors for the year ended 30 June 2023

Dear Shareholders

In compliance of section 184 of the Companies Act 1994, on behalf of the Board of Directors, I have the pleasure to submit this report along with Audited Financial Statements containing Statement of financial Position, Statement of Profit or Loss & other Comprehensive Income, Statement of Change in Equity and Statement of Cash Flows for the year ended on 30 June 2023 at this 18th Annual General Meeting.

Company's Performance and Financial Results

Respected Shareholders,

Fuwang Beverage Industry Limited (FWBIL) is a beverage and food manufacturing industry and it has commenced production from October 2005.

During the fiscal year 2022-2023, the company's turnover reduced to Taka 3.68 crore, marking a 9.2% decrease from the previous year's Taka 4.05 crore. This decline in turnover resulted net loss after tax of Taka 0.89 crore , compared to the preceding year's loss of Taka 0.75 crore. The primary cause of such gross loss was detected due to high cost of the raw materials and sudden 66.33% surge in utility expenses, more precisely the Gas bill.

Financial Position

The operating financial results for the year ended 30 June 2023 are as follows:

Particulars	30-Jun-23 (Taka)	30-Jun-22 (Taka)	Increase/(Decrease) (Taka)	Increase/(Decrease) %
Turnover (Net)	36,800,567	40,528,990	-3,728,423.29	-9.20%
Gross Profit	-1,826,866	517,341	-2,344,206.56	-453.13%
Net Profit/Loss Before Tax	-8,714,844	-7,220,738	-1,494,105.69	20.69%
Net Profit/Loss After Tax	-8,935,647	-7,463,912	-1,471,735.09	19.72%
Net Assets Value Per Share (NAV)	-309.648	-216.66	-92.99	42.92%
Earning Per Share (EPS)	-89.36	-74.64	-14.72	19.72%

Board of Directors

At the end of the financial year on June 30, 2023, the following personalities served as the Board of Directors.

SL	Name of the Directors	Position
1	Professor Md. Abul Kashem	Chairman
2	Miya Mamun	Managing Director
3	Mirza Rashed Nawaz	Director
4	Afzal Hossain	Nominated Director
5	Sidratul mahabub Hasan	Nominated Director

However, Mr. Md. Afzal Hossain, the Nominated Director, is no longer with the Board as of his resignation on August 19, 2023, which was duly accepted by the Fuwang Beverage Industry Ltd. Board.

Shareholding

The shareholding position of the company is as follows:

Name of the Shareholders	No. of Shares	Percentage (%)
Fuwang Foods Limited (Holding Company)	98,000	98.00%
Mr. A.K.M. Afzal Ul Munir	1,000	1.00%
Mr. Mirza Rashed Nawaz	1,000	1.00%
Total	**100,000**	**100.00%**

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Appointment of Auditors

The existing auditors M/s. MABS & J Partners, Chartered Accountants retire at this Annual General Meeting. The Firm completed another year as statutory Auditor with continues service of 8 years since the financial year 2013-2014.

The Directors endorsed the appointment of M/s. Ahsan Manzur & Co., Chartered Accountants as the auditors of the company for the year 2023-2024 at a fee of Tk. 75,000 (Taka seventy thousands only) excluding VAT.

Acknowledgement

The Directors acknowledged the contributions of all involved in providing services.

On behalf of the Board

Professor Md. Abul Kashem
Chairman

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Independent Auditor's Report to the Shareholders of Fu-Wang Beverage Industry Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Fuwang Beverage Industry Limited, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

(i) **Refer to Note-5,** Accounts Receivable of BDT. 1,164,009, we have sent balance confirmation for accounts receivable of BDT. 1,660,785, against which we received responses for BDT. 678,366 (40.85% of balance confirmation sent). Hence, the difference between the above-mentioned balance i.e. BDT. 982,419 remains unverified and unconfirmed to the extent the responses were not forthcoming. However, this is to be noted that a provision for bad debt was recorded amounting BDT. 877,608 post to our balance confirmations to the suppliers.

(ii) **Refer to Note-10,** Current Liabilities and Provision of BDT. 189,911,285, as for Sundry Creditors (Others) of BDT. 5,914,468, we sent balance confirmation covering BDT. 5,501,385, against which we received responses for BDT. 258,100 (4.69% of balance confirmation sent). Hence, the difference between the above-mentioned balance i.e. BDT. 5,243,285 remains unverified and unconfirmed to the extent the responses were not forthcoming.

(iii) No deferred tax was reported in the financial statements, a non-compliance of IAS-12 Income Taxes.

(iv) No Fixed Asset register was maintained containing details such as item-wise cost price, book value, tag no., person in charge, condition etc. Also, as the assets were not tagged, we were unable to carry out a physical inspection of the same. The net book value of property, plant and equipment as at 30 June 2023 is BDT. 109,321,845.

(v) **Refer to Note-10, 'Current Liabilities and Provision',** For the subsidiary, BDT 40,100,000 was reported as 'Deposit against share by holding company' in the financial year 2020-21, which was transferred as a liability with the holding company in Note-10 'Current Liabilities and Provision' in the financial year 2022-23. As per gazette # 146/GdAviwm/cÖkvt/cÖÁvcb/2020/01 dated 11th February 2020, any money received as Share Money Deposit (SMD) or whatever name, included in the Equity, is not refundable. The money received under SMD should be converted into Share Capital within 6 months of receipt of the money. However, it is reported by management that as no receipt of money from the holding company against the said shares was evident, it is adjusted as an intercompany transaction. Also, despite the figure is constant for over 12 months, the figure is reported as current assets and current liabilities instead of non-current liabilities/assets.

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(vi) As per section-99 of Bangladesh Labor Act 2006 (as amended in 2015), for an establishment with 100 permanent workers, the employer is to arrange group insurance for its employees. The company has not introduced any group insurance for its employees; a non-compliance of the Bangladesh Labor Act.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance or the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act, 1994 and other applicable laws and regulations and for such internal control as management date remains is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management I the intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we also report that except for the effects of the matters described in the Basis for Qualified Opinion section of our report:

a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and

c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Place: Dhaka, Bangladesh
Dated: 28 October 2023

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Jagadish Chandra Biswas FCA
Partner
ICAB Enrollment No: 199
DVC: 2310280199AS271979

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Fu-Wang Beverage Industry Limited

Statement of Financial Position

As at 30 June 2023

Particulars	Notes	Amount in Taka	
		30 June 2023	30 June 2022
ASSETS:			
Non-Current Assets		**109,321,846**	**111,593,762**
Property, Plant and Equipment (At Cost)	3.00	179,389,348	179,389,348
Less : Accumulated Depreciation		70,067,502	67,795,586
Current Assets , Loan and Advance		**49,624,639**	**64,467,394**
Inventories	4.00	5,792,326	9,602,733
Accounts Receivable	5.00	1,164,009	11,462,488
Advances, Deposits and Prepayments	6.00	42,412,547	42,412,547
Cash and Cash Equivalents	7.00	255,757	989,626
Total Assets		**158,946,485**	**176,061,156**
EQUITY & LIABILITIES:			
Shareholders' Equity		**(30,964,800)**	**(21,666,486)**
Share Capital	8.00	10,000,000	10,000,000
Retained Earnings	9.00	(115,743,529)	(106,678,139)
Revaluation Reserve		74,778,729	75,011,653
Current Liabilities	10.00	**189,911,285**	**197,727,642**
Liability for Security Deposit		1,035,500	1,035,500
Accrued Expenses		1,389,509	826,768
Audit Fee Payable		75,000	69,000
Advance Received from Fu-Wang Foods Limited		153,388,552	164,841,354
Sundry Creditors (Others)		5,914,468	2,824,393
Provision for Income Tax		28,108,256	28,130,627
Total Liabilities		**158,946,485**	**176,061,156**

The annexed notes form an integral part of these Financial Statements.

Chief Financial Officer | Managing Director | Chairman

This is the Statement of Financial Position referred to in our separate report of even date.

Place: Dhaka, Bangladesh
Dated: 28 October 2023

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Jagadish Chandra Biswas FCA
Partner
ICAB Enrollment No: 199
DVC: 2310280199AS271979

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Fu-Wang Beverage Industry Limited

Statement of Profit or Loss and other comprehensive Income
For the Year Ended 30 June 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Sales Revenue	11.00	36,800,567	40,528,990
Less : Cost of Goods Sold	12.00	38,627,432	40,011,649
Gross Profit		**(1,826,866)**	**517,341**
Less : Administrative Expenses	13.00	3,526,655	2,035,164
Profit before Selling & Distribution Expenses		**(5,353,521)**	**(1,517,823)**
Less : Selling & Distribution Expenses	14.00	3,361,323	5,702,915
Operating Net Profit/(Loss) before Tax		**(8,714,844)**	**(7,220,738)**
Less: Provision For Income Tax		(220,803)	(243,174)
Net Profit/(Loss)		**(8,935,647)**	**(7,463,912)**

The annexed notes form an integral part of these Financial Statements.

Chief Financial Officer | **Managing Director** | **Chairman**

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Place: Dhaka, Bangladesh
Dated: 28 October 2023

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Jagadish Chandra Biswas FCA
Partner
ICAB Enrollment No: 199
DVC: 2310280199AS271979

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Fu-Wang Beverage Industry Limited

Statement of Changes in Equity
For the Year Ended 30 June 2023

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Opening Balance as on 01 July 2022	10,000,000	75,011,653	(106,678,139)	21,666,486
Prior year adjustment			(362,667)	(362,667)
Depreciation on Revaluation	-	(232,924)	232,924	-
Net profit/(Loss) for the year	-	-	(8,935,647)	(8,935,647)
Closing Balance as on 30 June 2023	**10,000,000**	**74,778,729**	**(115,743,529)**	**(30,964,800)**

For the Year Ended 30 June 2022

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Opening Balance as on 01 July 2021	10,000,000	-	28,072,054	38,072,054
Prior period Adjustment	-	-	(127,525,177)	(127,525,177)
Depreciation on Revaluation	-	(238,896)	238,896	-
Revaluation Reserve	-	75,250,549	-	75,250,549
Net profit/(Loss) for the year	-	-	(7,463,912)	(7,463,912)
Closing Balance as on 30 June 2022	**10,000,000**	**75,011,653**	**(106,678,139)**	**(21,666,486)**

The annexed notes form an integral part of these Financial Statements.

Chief Financial Officer | Managing Director | Chairman

Place: Dhaka, Bangladesh
Dated: 28 October 2023

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Fu-Wang Beverage Industry Limited
Statement of Cash Flows
For the Year Ended 30 June 2023

Particulars	Amount in Taka	
	2022-2023	2021-2022
Cash Flows from Operating Activities:		
Collections from Turnover and Others	52,619,130	48,579,093
Prior period Adjustment	(362,668)	(741,359)
Payment for Cost and Expenses	(30,091,170)	(18,003,793)
Paid for Administrative Expenses	(2,321,778)	(1,372,441)
Paid for Selling and Distribution Expenses	(3,361,323)	(5,702,915)
VAT Paid	(5,520,084)	(6,079,349)
Income Tax Paid and Deducted at Source	(243,174)	(400,000)
	10,718,933	**16,279,236**
Cash Flows from Investing Activities:		
Acquision of Property, Plant and Equipment	-	(402,300)
	-	**(402,300)**
Cash Flows from Financing Activities:		
Received/ (Paid) from Fu-Wang Foods Limited	(11,452,802)	(15,882,479)
	(11,452,802)	**(15,882,479)**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**(733,869)**	**(5,543)**
Cash and Cash Equivalents at the Beginning of the year	989,626	995,169
Cash and Cash Equivalents at the End of the year	**255,757**	**989,626**
Net Increase/ (Decrease) in Cash and Cash Equivalents	**(733,869)**	**(5,543)**
Net Operating Cash Flow per Share	**107.19**	**162.79**

The annexed notes form an integral part of these Financial Statements.

Chief Financial Officer | Managing Director | Chairman

Place: Dhaka, Bangladesh
Dated: 28 October 2023

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Fu-Wang Beverage Industry Limited

Notes to the Financial Statements
For the Year ended 30 June 2023

1. Reporting entity

1.1 The Company

Fu-Wang Beverage Industry Limited (hereinafter referred to as "the Company") being a private company limited by shares incorporated on 13th December 2004 with the Registrar of Joint Stock Companies vide registration number C-55230(1914)/04.

1.2 Address of Company:

The registered office of the Company is Located at 55, Road: 17 Banani C/A, Dhaka-1213, Bangladesh. The factory is situated at located at Bokran Monipur, Hotapara, Gazipur.

1.3 Nature of business

Principal activities of the company are manufacturing & marketing of different type of Food & beverage items.

2. Significant Accounting Policies and Basis of preparation of financial Statements:

2.1 Basis of preparation of financial statements

2.1.1 Statement on compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994 and other relevant laws applicable in Bangladesh.

2.1.2 Other regulatory compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations in Bangladesh:

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- Income Tax Act 2023
- The Value Added Tax and Supplementary duty Act, 2012
- The Value Added Tax and Supplementary duty Rules, 2016
- The Customs Act, 1969
- The Stamp Act, 1899
- Bangladesh Labour Act, 2006 (as amended to2013).
- Financial Reporting Act, 2015.

2.1.3 Basis of Preparation

The financial statements have been prepared based on the accrual basis of accounting following going concern assumption and prepared under the historical cost convention.

2.1.4 Accrual basis of accounting

The Limited prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IAS or IFRS conceptual Framework.

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2.1.5 Presentation of financial statements

The presentation of these financial statements is in accordance with the guidelines provided by **IAS 1: Presentation of Financial Statements.**

The financial statements comprise of:

(a) Statement of Financial Position as at 30 June 2023.

(b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023.

(c) Statement of Changes in Equity for the year ended 30 June 2023.

(d) Statement of Cash Flows for the year ended 30 June 2023.

(e) Notes, comprising summary of significant accounting policies and other explanatory information.

2.1.6 Functional and presentation currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.1.7 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards and International Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by **IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.**

2.1.8 Materiality, aggregation and offsetting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the year.

2.1.9 Going concern assumption

As per IAS-1 para 25, a company is required to make assessment at the end of each year to assess its capability to continue as a going concern. Management of the Company makes such assessment each year. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.1.10 Reporting period

The reporting period of the company covers 12 months from 01 July 2022 to 30 June 2023.

2.1.11 Comparative information

Comparative information has been disclosed in respect of 01 July 2022 to 30 June 2023 in accordance with IAS 01: Presentation of Financial Statements for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been rearranged wherever considered necessary to ensure comparability with the current year.

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2.2 Significant accounting policies

2.2.1 Property, plant and equipment

Recognition and measurement

An item shall be recognized as property, plant and equipment if, and only it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Property, Plant and Equipment are stated at their cost (Fair value for Building & other construction) less accumulated depreciation in accordance with IAS 16 "Property, Plant and Equipment".

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/ implementation of the Property, Plant and Equipment, if the recognition criteria are met.

The cost of self-constructed assets includes the cost of material and direct labor and other costs directly attributable to bringing the assets to a working condition inclusive of inward freight, duties and non-refundable taxes for their intended use.

Subsequent costs

The subsequent expenditure is only capitalized as part of assets when the useful life or economic benefit or both of that asset is increased provided that it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of day to day servicing of property, plant and equipment are recognized in the Statement of Profit or loss and Other Comprehensive Income as 'Repair and Maintenance' when it is incurred.

Depreciation on Non-current assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provision of **IAS 16 Property, Plant and Equipment.** Depreciation is charged on additions made during the year for the full year in which those assets are put into ready for use and on which depreciation is charged on Straight line basis. Depreciation is charged on all the fixed assets except land and land development cost at the following rates according to the estimated life disclosed in the valuation report.

Categories of Property, Plant & Equipment's	Rate of Depreciation
Factory building and other construction	2.50 to 5%
Plant and machinery	5%
Office equipment	20%
Furniture and Fixtures	10%
Other assets	10% to 20%

Depreciation methods, useful lives and residual values are reviewed after each reporting period.

Revaluation of property, plant and equipment

As per **IAS 16: Property, Plant and Equipment** paragraph 34, "the frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years".

Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future periods based on the actual experience.

Disposal of property, plant and equipment

An item of Property, Plant and Equipment is removed from the statement of financial position when it is dispose of or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant and Equipment is included in the statement of profit or loss of the period in which the de-recognition occurs.

2.2.2 Trade and Other Receivables

This is considered good and collectible and therefore, no amount was written off as bad debt and necessary provision is made for bad debts.

2.2.3 Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to the statement of profit or loss and other comprehensive income.

2.2.4 Inventories

Inventories comprise raw material, finished goods and packing materials which are stated at the lower of cost and net realizable value on consistent basis in accordance with IAS 2. Net realizable value is based on estimated selling price less any further costs expected to be incurred for completion and disposal.

2.2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per **IAS 23: Borrowing Costs.**

2.2.6 Authorization date for issuing financial statements

The financial statements were authorized by the Board of Directors on 28 October 2023 for issue after completion of review.

2.2.7 Revenue from contract with customers

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange of services when (or as) it transfers control to the customer. To achieve that core principle, IFRS-15 establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised service to a customer. Service is considered as transferred when (or as) the customer obtains control of that service. Revenue from sale of service is measured at the fair value of the consideration received or receivable net

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of returns and allowances, trade discounts, rebates and Value Added Tax (VAT). Where the amounts received or receivable from customers exceeded the revenues recognized for contracts, contract liabilities or advance billings are recognized in the statement of Financial Position as Unearned Revenue. Contract liabilities or advance billings are recognized as revenue when services are provided to customers satisfying the performance obligation.

2.2.8 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and with banks on current accounts and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

2.2.9 Foreign currency transactions

Transactions denominated in foreign currencies are translated into Bangladesh Taka and recorded at rates of exchange ruling on the date of transaction in accordance with IAS 21 *"The Effects of Changes in Foreign Currency Rates"*.

2.2.10 Employee benefits

The company maintains defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds and rules. The plan is funded and recognized/approved under Income Tax Ordinance 1984.

(a) Defined contribution plan (Provident fund)

The Company operates a contributory provident fund for its permanent employees. Provident fund is administered by a Board of Trustees and is funded by contributions partly from the employees and partly from the Company at pre-determined rates. These contributions are invested separately from the Company's assets.

(b) Defined Benefit Plan (Gratuity)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to current and former employees.

2.2.11 Accruals, provisions and contingencies

(a) Accruals

Accruals are liabilities to pay for services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of Trade and other payables.

(b) Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting period the company has made sufficient provisions where applicable.

(c) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will

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be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. At the reporting date the company does not have any contingent asset.

2.2.12 Statement of cash flows

The Statement of Cash Flows has been prepared in accordance with the requirements of **IAS 7: Statement of Cash Flows.** The cash generating from operating activities has been reported using the Direct Method and Indirect Method as prescribed by the Securities and Exchange Rules,1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

2.2.13 Income tax

Income tax expense comprises only current taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with **IAS 12: Income Tax.**

Current tax

Taxation is provided in accordance with fiscal regulations applicable. The company is a non-listed company as per the Income Tax Act, 2023. The company qualifies for being treated as a "non Listed Company" for which the rate for tax at 30% or minimum Tax rate 0.60% has been applied for while making provision for income tax.

2.2.14 Events after the Reporting period

2.2.15 Events after the Reporting period

Events after the reporting period that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements as per International Accounting Standards **IAS 10: Events after the Reporting Period.**

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed.

3.00 Property, Plant and Equipment: Tk. 109,321,846

The break-up is as below:

Cost		
Opening Balance	179,389,348	103,736,499
Add: Addition during the year	-	402,300
Add: Adjustment for Revaluation	-	75,250,549
Closing Balance	**179,389,348**	**179,389,348**
Accumulated Depreciation		
Opening Balance	67,795,586	65,129,758
Add: Charged during the year	2,271,916	2,665,828
Closing Balance	**70,067,502**	**67,795,586**
Written Down Value	**109,321,846**	**111,593,762**

Details of Property, Plant and Equipment along with depreciation charged thereon as on 30 June 2023 has been shown in Annexure-"A".

Notes	Particulars		Amount in Taka	
			30 Jun 2023	30 Jun 2022
4.00	**Inventories: Tk. 5,792,326**			
	The break-up is as below:			
	Stock of Raw Materials		1,337,272	1,565,067
	Stock of Packing Materials		2,015,789	3,569,646
	Stock of Finished Goods		2,439,265	4,468,020
		Total	**5,792,326**	**9,602,733**
5.00	**Accounts Receivable: Tk.11,462,490**			
	The break-up is as below:			
	Opening Balance (As reported)		11,462,488	137,419,026
	Less: Prior Period Adjustment		-	123,985,784
	Adjusted Opening Balance		**11,462,488**	**13,433,242**
	Add: Sales during the year		42,320,651	46,608,339
			53,783,139	**60,041,581**
	Less Realized During the year		51,741,522	48,579,093
	Less: Provision for Bad debts		877,608	-
		Total	**1,164,009**	**11,462,488**
6.00	**Advance, Deposits & Prepayments: Tk. 42,412,547**			
	The break-up is as below:			
	Margin on Bank Guarantee (Titas Gas, T&D Co. Ltd)		7,763,340	7,763,340
	Current Account VAT & SD (Note-6.01)		-	-
	Advance Income Tax (Note: 6.02)		34,649,207	34,649,207
		Total	**42,412,547**	**42,412,547**
6.01	**Current Account VAT & SD Tk.0.00**			
	The break-up is as below:			
	Opening Balance		-	2,798,034
	Less: Prior period Adjustment		-	2,798,034
		Total	**-**	**-**
6.02	**Advance Income Tax: Tk. 34,649,207**			
	The break-up is as below:			
	Opening Balance		34,649,207	34,449,207
	Add: Addition during the year		-	200,000
			34,649,207	**34,649,207**
	Less : Adjustment made during this year		-	-
		Total	**34,649,207**	**34,649,207**

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Notes	Particulars		Amount in Taka	
			30 Jun 2023	30 Jun 2022
7.00	**Cash and Cash Equivalents: Tk. 255,757**			
	The break-up is as below:			
	Cash in Hand :			
	Head Office		10,000	10,000
	Factory		30,000	30,000
			40,000	**40,000**
	Cash at Bank			
	Pubali Bank Ltd. CD-2240	**(7.01)**	96,455	829,139
	Dhaka Bank Ltd. CD-28161	**(7.02)**	119,302	120,487
			215,757	949,626
		Total	**255,757**	**989,626**
7.01	**Pubali Bank Ltd. CD-2240: TK. 96,455**			
	Opening Balance-CD 2240 As reported		829,139	745,033
	Less: Prior period Adjustment		-	741,743
	Adjusted Opening Balance		**829,139**	**3,290**
	Net Transaction deposit during the period		(732,684)	825,849
	Closing Balance		**96,455**	**829,139**
7.02	**Dhaka Bank Ltd. CD-28161: TK. 119,302**			
	Opening Balance-CD 2240 As reported		120,487	2,636
	Add: Prior period Adjustment		-	384
	Adjusted Opening Balance		**120,487**	**3,020**
	Net Transection deposit during the period		(1,185)	117,467
	Closing Balance		**119,302**	**120,487**
8.00	**Share capital TK. 10,000,000**			
8.01	**Authorised capital TK. 200,000,000**			
	2,000,000 ordinary shares of TK. 100 each.		200,000,000	200,000,000
			200,000,000	**200,000,000**
8.02	**Issued, Subscribe and paid up Capital TK. 10,000,000**			
	It represent the paid up capital of the company consisting of 100,000 ordinary shares of Tk. 100 each issued for cash and fully subscribe and paid up.			
	Fu-Wang Foods Limited (98%)		9,800,000	9,900,000
	Mr. A K M Afzal UL Munir (1%)		100,000	100,000
	Mr. Mirza Rashed Newaz (1%)		100,000	-
		Total	**10,000,000**	**10,000,000**
9.00	**Retained Earnings: Tk. -115,743,529**			
	The break-up is as below:			
	Opening from the Last year		(106,678,139)	28,072,054
	Less: Prior Period Adjustment		362,667	127,525,177
	Add: Adjustment for Revaluation Depreciation		232,924	238,896
			(106,807,882)	**(99,214,227)**
	Add: Net Profit for 2022-2023		(8,935,647)	(7,463,912)
	Balance as at 30 June		**(115,743,529)**	**(106,678,139)**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
10.00	**Current Liabilities and Provision: Tk. 189,911,285**		
	The break-up is as below:		
	Liability for Security Deposit	1,035,500	1,035,500
	Accrued Expenses	1,389,509	826,768
	Audit Fee Payable	75,000	69,000
	Sundry Creditors (Holdings Company)	153,388,552	164,841,354
	Sundry Creditors (Others)	5,914,468	2,824,393
	Provision for Income Tax (Notes 10.01)	28,108,256	28,130,627
	Total	**189,911,285**	**197,727,642**
10.01	**Provision for Income Tax: Tk. 28,108,256**		
	The break-up is as below:		
	Opening from the Last year	28,130,627	28,087,453
	Add: Addition during the year	220,803	243,174
		28,351,430	**28,330,627**
	Less: Payment during the year	243,174	200,000
	Balance as at 30 June	**28,108,256**	**28,130,627**
11.00	**Sales Revenue: Tk. 36,800,567**		
	The break-up is as below:		
	Sales	42,320,651	46,608,339
	Less : VAT Paid	5,520,084	6,079,349
	Net Sales	**36,800,567**	**40,528,990**
12.00	**Cost of Goods Sold: Tk. 38,627,432**		
	The break-up is as below:		
	Raw Material Consumed (Note: 12.01)	15,252,250	15,449,962
	Packing Materials Consumed (Note: 12.02)	8,305,695	8,039,072
	Direct Overhead (Note: 12.03)	13,040,732	9,967,636
	Total Cost of Production	**36,598,677**	**33,456,669**
	Add : Opening Stock of Finished Goods	4,468,020	11,023,000
		41,066,697	**44,479,669**
	Less : Closing Stock of Finished Goods	2,439,265	4,468,020
	Cost of Goods Sold	**38,627,432**	**40,011,649**
12.01	**Raw Material Consumed: Tk. 15,252,250**		
	The break-up is as below:		
	Local Procured	15,024,455	3,986,529
	Add: Opening Stock of Raw Material	1,565,067	13,028,500
		16,589,522	**17,015,029**
	Less: Closing Stock of Raw Materials	1,337,272	1,565,067
	Total	**15,252,250**	**15,449,962**
12.02	**Packing Materials Consumed: Tk. 8,305,695**		
	The break-up is as below:		
	Packing Material Purchase Local:	6,751,838	8,280,918
	Add : Opening Stock of Packing Material	3,569,646	3,327,800
		10,321,484	**11,608,718**
	Less : Closing Stock of Packing Material	2,015,789	3,569,646
	Total	**8,305,695**	**8,039,072**

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Notes	Particulars	Amount in Taka	
		30 Jun 2023	30 Jun 2022
12.03	**Direct Overhead: Tk. 13,040,732**		
	The break-up is as below:		
	Direct Wages & Salary	5,401,880	3,338,962
	Factory Maintenance (Spare Parts)	476,238	454,174
	Festival Bonus	360,485	847,501
	Companies contribution to PF	151,418	-
	Power & Fuel	5,006,765	3,010,118
	Fooding Allowance	-	254,747
	Oil & Lubricants	-	138,633
	Carriage Inward	8,166	4,104
	Depreciation	1,635,780	1,919,397
	Total	**13,040,732**	**9,967,636**
13.00	**Administrative Expenses: Tk. 3,526,655**		
	The break-up is as below:		
	Director's Remuneration	-	200,000
	Salary & Allowance	536,183	-
	Printing & Stationery	39,607	5,200
	Telephone Expenses	43,363	-
	Generator Rent	400,000	-
	Office Maintenance	97,865	187,500
	Festival Bonus	80,286	19,638
	Travelling & Conveyance	10,721	121,620
	Licence Registration & Renewal	71,162	462,773
	Bank charges	5,450	6,601
	VAT Expenses	327,232	-
	Fuel for Generator	-	216,400
	AGM Expenses	5,450	-
	Internet Expenses	27,654	-
	Board Meeting Fees	96,000	-
	Audit Fee	271,938	69,000
	Bad Bebts (Provision)	877,608	-
	Depreciation	636,137	746,432
	Total	**3,526,655**	**2,035,164**
14.00	**Selling & Distribution Expenses: Tk. 3,361,323**		
	The break-up is as below:		
	Salary & Allowances (Head Office)	1,066,029	3,001,311
	Business Promotion & Development Exp.	216,727	329,500
	Festival Bonus	112,411	-
	Fooding Allowance	17,727	
	Damage on sales	54,686	-
	Travelling & Conveyance	243,942	-
	Carriage Outward	965,486	1,808,189
	Commission on sales	525,111	-
	Bonus on Sale	159,204	563,915
	Total	**3,361,323**	**5,702,915**

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Fu-Wang Beverage Industry Limited

Schedule of Property, Plant and Equipment

As on 30 June 2023

Annexure-A

Particulars	Cost			Rate	Depreciation			Written Down Value as on 30 Jun 2023	Written Down Value as on 30 Jun 2022
	Balance as on 01 Jul 2022	Addition during the year	Total as on 30 June 2023		Balance as on 01 Jul 2022	Charged during the year	Total as on 30 June 2023		
Land & Land Development	11,105,300	-	11,105,300	0%	-	-	-	11,105,300	11,105,300
Factory Building Const.	23,373,536	-	23,373,536	2.5%	7,432,207	398,533	7,830,740	15,542,796	15,941,329
Plant & Machinery	37,837,914	-	37,837,914	20%	32,260,175	1,115,548	33,375,723	4,462,191	5,577,739
Gas Line	958,000	-	958,000	10%	784,796	17,320	802,116	155,884	173,204
Office Building & Construction	382,768	-	382,768	2.5%	134,665	6,203	140,868	241,900	248,103
Furniture and Fixture	348,216	-	348,216	10%	161,437	18,678	180,115	168,101	186,779
Electrical Equipment	5,406,931	-	5,406,931	10%	3,939,308	146,762	4,086,070	1,320,861	1,467,623
Electrical Generator	22,561,467	-	22,561,467	20%	21,084,018	295,490	21,379,508	1,181,959	1,477,449
Deep Tube Well & Water Pump	2,164,667	-	2,164,667	10%	1,760,083	40,458	1,800,542	364,125	404,584
Sub Total	**104,138,799**	**-**	**104,138,799**		**67,556,690**	**2,038,992**	**69,595,682**	**34,543,117**	**36,582,109**
Revaluation									
Land & Land Development	65,694,700	-	65,694,700	0%	-	-	-	65,694,700	65,694,700
Factory Building Const.	9,555,849	-	9,555,849	2.5%	238,896	232,924	471,820	9,084,029	9,316,953
Sub Total	**75,250,549**	**-**	**75,250,549**		**238,896**	**232,924**	**471,820**	**74,778,729**	**75,011,653**
Grand Total	**179,389,348**	**-**	**179,389,348**		**67,795,586**	**2,271,916**	**70,067,502**	**109,321,846**	**111,593,762**

Depreciation allocation to	1,635,780
Direct Overhead	636,137
Administration Expenses	**2,271,917**

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FU-WANG FOODS LIMITED

House # 55, Road # 17, Banani C/A, Dhaka-1213

PROXY FORM

I / We .....

of .....

being the member of **FU-WANG FOODS LIMITED** hereby appoint Mr/Mrs .....

of .....

as my/our proxy to attend and vote for me/us on behalf at the 27th Annual General Meeting of the Company to be held on 19th December 2023 at through Digital Platform at 11:00 a.m. (BST) and any adjournment there of.

As witness my hand this ..... day of 2023

Revenue Stamp
Tk. 100.00

(Signature of Proxy)
Register Folio:
BO ID :

(Signature of Shareholders)
Register Folio
BO ID :

Note :

According to the Articles of Association of the company proxy can be given only to the person who is a member (Shareholder) of the Company. The proxy form should reach the company or email to share@fuwangsfoodltd.com not later than 48 hours before the time fixed to the meeting time fixed for the meeting.

FU-WANG FOODS LIMITED

House # 55, Road # 17, Banani C/A, Dhaka-1213

ATTENDANCE SLIP

I hereby record my attendance at the 27th Annual General Meeting of the Company being held on 19th December 2023 at through Digital Platform at 11:00 a.m. (BST)

Name of Shareholdet/Proxy .....

Shareholder's Folio No./BO ID: ..... Proxy Folio No/BO ID: ..... Signature: .....

No. of Shares : ..... Date: .....

N.B. Provided that, as the AGM will be held by using digital platform, we encourage honourable shareholders to log on to the system prior to the meeting and allow ample time to establish connectivity. In this case the attendance slip is not necessary.

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富王食品
FU-WANG FOODS LTD.



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Head Office: Fu-wang Building
House: 55, Road: 17, Banani C/A, Dhaka-1213, Bangladesh.
Tel: +880 222287359, 222287360 Fax: +8802 58815476
Factory: Bokran, Monipur, Hotapara, Gazipur.
www.fuwangfoodsltd.com